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# Report of the Comptroller and Auditor General of India

for the year ended March 2006

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Volume - II  
(Performance Audit of Civil Departments)

Government of National Capital Territory of Delhi

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## **PREFACE**

This Report for the financial year ended March 2006 has been prepared for submission to the Lieutenant Governor under Article 151(2) of the Constitution of India. It covers matters arising from audit of the accounts of the Government of the National Capital Territory of Delhi.

The audit observations on the Finance Accounts and Appropriation Accounts of the Government of National Capital Territory of Delhi for the financial year 2005-06 and the matters arising from test audit of the financial transactions of the Government of Delhi and its public sector undertakings have been included in Volume-I of the Report while audit observations on revenue receipts is in Volume-III.

The present volume contains results of performance audits on (i) Four Major Public Hospitals in Delhi, (ii) Educational Development of Scheduled Castes and Scheduled Tribes, and (iii) Implementation of Mid Day Meal Scheme in Delhi.

The prevention and control of hospital-associated infections was weak and the patient grievance redressal system in the hospitals lacked direction and perspective.

### **Performance audit of Educational Development of Scheduled Castes and Scheduled Tribes**

Various educational schemes are implemented by the Union and State governments to enable SC/ST students to upgrade their educational levels and skills and generate self confidence and self reliance. The performance audit examined the implementation of three centrally sponsored and six state schemes by Government of NCT of Delhi during the period from 2001-02 to 2005-06.

Performance audit revealed that planning for implementation of the schemes was not based on definitive data or survey of the targeted population. The department projected the requirements of the schemes on the basis of past trends of expenditure. The systems adopted by the department to publicize and popularize the schemes were inadequate, thus, leaving the possibility of a large number of beneficiaries being excluded from the purview of the centrally and the state sponsored schemes.

The coaching centres being run under "Coaching and Allied Scheme" did not have basic infrastructure facilities, the number of courses held were less and attendance of the students was poor leading to low success rate of the students in various competitive examinations.

The expenditure incurred under the "Post Matric Scholarship Scheme" registered a decline from Rs.1.03 crore in 2001-02 to Rs.19.53 lakh in 2005-06. The Government of NCT of Delhi could not spend their committed liability of Rs 1.03 crore persistently over the years, as a result, central funding was affected. The number of scholarship holders also declined sharply from 2004-05 onwards after transfer of the scheme from Department of Education to the Department for the Welfare of SC/ST/OBC/Minorities.

The Government of NCT of Delhi did not contribute its share of funding under "Book Bank Scheme" meant for assisting the students pursuing professional and post graduate courses. No funds were released by the department to eight polytechnics and two medical colleges during 2001-02 and 2002-03.



The six state schemes reviewed in performance audit lacked direction and purpose. The schemes suffered from delays in release of funds and in disbursement of scholarships. There were also instances of non-reimbursement of tuition fee to the targeted beneficiaries. The students were often deprived of the financial assistance due to inadequate publicity of the schemes. Some of the schemes also lacked transparency as applications of the prospective beneficiaries were rejected by the department without assigning any reasons. Some of the schools did not submit utilization certificates for the grants received from the department. The department ran two overlapping schemes for reimbursement of tuition fee, one under Central Scheme and the other under State Scheme.

Monitoring and evaluation of the schemes by the implementing departments were weak.

### **Performance audit of Implementation of Mid Day Meal Scheme in Delhi**

A mid day meal scheme is being implemented in Delhi by the Government of NCT of Delhi, Municipal Corporation of Delhi (MCD) and the New Delhi Municipal Council (NDMC) for all the children of primary stage (class I to V) in Government, local bodies and Government-aided schools. The Government of NCT of Delhi acts as the nodal department and is responsible for overall planning and ensures the availability of requisite financial, logistical and administrative requirements for the scheme. The Central Government extends support to the scheme by way of free supply of foodgrains and subsidy for transportation of the foodgrains.

A performance audit of the mid day meal scheme in Delhi covering the period from 2001-02 to 2005-06 revealed inadequacies in planning, funds management, implementation and monitoring of the scheme.

Though the scheme has been implemented in Government, MCD and NDMC schools, an estimated 74,000 number of children enrolled in Education Guarantee Scheme/Alternative and Innovative Education Centres in Delhi were left out from the ambit of the scheme, which was contrary to the provisions of the scheme.

There was shortfall of 50 *per cent* in lifting of foodgrains during the period 2001-06 indicating poor implementation of the scheme. No joint inspections were carried out by the implementing agencies to ensure that the foodgrains supplied by the Food Corporation of India were at least of Fair Average Quality.

The financial resources were not optimally utilized. There were substantial savings ranging from 15 to 99 *per cent* in Directorate of Education and NDMC and plan funds of Rs. 2.90 crore were diverted by the MCD for meeting establishment and administrative expenses.

The nodal department did not ensure that the cooked meals being supplied to the schools conformed to the stipulated quality or quantity. In 51 out of 308 schools test checked, cooked meals were short supplied to the extent of 52 grams per child per day. Further, the suppliers of the cooked meals did not have the requisite license from the Health Department and the meals were not being brought by them in sealed containers and, therefore, there always remained the possibility of contamination, adulteration or pilferage during transportation of the meals. Despite the provision that cooked meals should be supplied to the children for a minimum of 200 days in a year, NDMC and Government provided cooked meals for only 112 to 150 days during 2003-04 to 2005-06.

The impact of the scheme on the levels of enrolment, attendance and retention was minimal. Monitoring of the scheme was non-existent till 2005-06. The first meeting of the state level monitoring-cum-steering committee was held only in July 2006.

The Public Accounts Committee had recommended in September 2001 certain steps to improve monitoring and implementation of the scheme. However many of these recommendations were yet to be fully acted upon.

## Chapter - I

### Performance audit of four major Public Hospitals in Delhi

A performance audit of the functioning of four major public hospitals in Delhi was conducted to assess their performance in terms of providing proper medical care by efficient use of available resources and infrastructure. The hospitals reviewed were Lok Nayak Hospital (LNH) and Deen Dayal Upadhyay Hospital (DDUH) under the Government of Delhi, Hindu Rao Hospital (HRH) under the Municipal Corporation of Delhi and Charak Palika Hospital (CPH) under the New Delhi Municipal Council. The performance audit covered the entire functioning of the four hospitals and brought out *inter alia* the following:

#### Highlights

**The Budgetary and expenditure controls in the hospitals were inadequate leading to persistent savings under Plan heads and overpayment of electricity charges of Rs.6.23 crore in two hospitals.**

*(Paragraphs 1.6.1 & 1.6.3)*

**There were shortages in medical, para-medical and nursing staff in all the four hospitals that impaired their capabilities to render timely and efficient patient care. Despite a continuous overall increase in patient load in most of the hospitals, no exercise had been carried out to fill in the critical vacancies and review the adequacy of the sanctioned strength.**

*(Paragraphs 1.7.1 & 1.7.2)*

**There was overcrowding in the wards of indoor patients due to increased patient load without corresponding increase in bed strength and medical staff. There were abnormal delays in conducting diagnostic tests and surgeries resulting in increased waiting time and backlog.**

*(Paragraphs 1.8.1 & 1.8.2)*

**The casualty and emergency departments did not receive the necessary attention and priority in terms of infrastructure, supplies and manpower. Consequently, these were not adequately equipped to ensure proper emergent medical aid to the patients.**

*(Paragraph 1.9)*

**The procurement, installation and commissioning of 72 per cent of the medical equipment was delayed, hampering rendition of**

**prompt and quality medical care to the patients. Against the laid down norms, LNH and HRH accepted from the suppliers medicines and vaccines valuing Rs. 1.04 crore with reduced shelf life.**

*(Paragraph 1.10)*

**More than 50 per cent usage of ambulances in the four hospitals was for purposes other than patient care. The ambulances in LNH and CPH were also not equipped with essential equipment for basic life support.**

*(Paragraph 1.12)*

**Three out of four hospitals could not make available 19 to 26 per cent of the essential life-saving drugs and medicines to the patients suffering from serious diseases including the terminally ill patients, though such essential drugs and medicines were required to be stocked by the hospitals at all times.**

*(Paragraph 1.13)*

**Efforts to augment the facilities in two hospitals were affected by inordinate delays in execution of works resulting in cost escalation of Rs. 3.43 crore. Possession of a building for a 140 bedded Trauma-cum-Emergency Block in DDUH could not be taken by the hospital management even two years after its completion and investment of Rs. 7.78 crore.**

*(Paragraph 1.14)*

**The management and handling of bio-medical waste in the hospitals was deficient. There was lack of proper segregation and handling of bio-medical waste in LNH and HRH in contravention of the Bio-Medical Waste Rules 1998, thereby increasing risk of infection.**

*(Paragraph 1.15)*

**The functioning of Hospital Infection Control Committees for prevention and control of hospital associated infections was deficient and the patient grievance redressal mechanism was weak.**

*(Paragraph 1.16)*

#### ***Summary of main recommendations***

- *For efficient management of the financial resources, the department should exercise effective control over payments of various charges and ensure early adjustment of contingent advances including the pending ones. Persistent savings under plan head needs to be avoided.*

- *The hospital and departmental authorities should undertake a manpower review to assess the actual requirement of manpower hospital-wise and take effective steps to fill in the critical vacancies so that the ability of the hospitals to offer the full range of intended medical care services is not hindered.*
- *The department should review and strengthen medical infrastructure facilities across all government and municipal hospitals to reduce the waiting time of the patients for various investigations and surgeries as well as tackle the problem of overcrowding due to increasing patient load.*
- *The system of procurement of equipment and medicines need to be streamlined to cut down delays so as to ensure that the benefits in terms of enhanced patient care accrue from the investments made.*
- *Procurement and stock management of drugs and medicines should be such as to ensure availability of essential drugs at all times. Stock registers must be maintained at the ward and OT levels to guard against pilferages and wastages.*
- *The department should take immediate action to ensure strict adherence and conformity with the Bio-Medical Waste (Management and Handling) Rules 1998.*

## **1.1 Introduction**

While medical care facilities in the National Capital Territory (NCT) of Delhi are provided by various agencies under the administrative control of the Union or NCT Government, the major share of health care facilities is provided by hospitals of the Government of Delhi and the two municipal bodies. The quality of health care provided in these hospitals has been a matter of public concern and interest and the Government of Delhi has identified improvement of health care facilities as one of its primary areas of interest. A performance audit was undertaken of four major public hospitals in Delhi, viz. Lok Nayak Hospital (LNH) and Deen Dayal Upadhyay Hospital (DDUH) which are under the Government of Delhi, Hindu Rao Hospital (HRH) under the Municipal Corporation of Delhi (MCD) and Charak Palika Hospital (CPH) under the New Delhi Municipal Council (NDMC). These four hospitals together have a bed strength of 3,227 which constituted 32 per cent of the total bed strength of public hospitals under the Government of Delhi and the municipal bodies. The hospitals provide medical facilities for outdoor as well as indoor patients in all major specialties viz. medicine, pediatrics, surgery, orthopedics, gynecology, eye care, ENT, dental care, etc. along with round the clock casualty and emergency services.

LNH and DDUH function under the administrative control of the Department of Health and Family Welfare of the Government of Delhi headed by the Principal Secretary (Health) while HRH and CPH function under the control of Commissioner MCD and Chairperson NDMC respectively. LNH, DDUH and HRH are headed by Medical Superintendents and CPH is headed by a Director (Health Services) who are assisted by Additional Medical Superintendents.

## **1.2 Scope of audit**

The performance audit covering the period from 2001-02 to 2005-06 was conducted between March and July 2006 with specific focus on areas such as management of financial and manpower resources, development of infrastructure, procurement of equipment/medicines and the quality, economy and effectiveness of patient care.

## **1.3 Audit objectives**

The objectives of the performance audit were:

- to assess the efficiency of utilization of funds;
- to assess the utilisation of manpower and augmentation of resources with reference to the prescribed norms and objectives;
- to assess the economy, effectiveness and quality of patient care provided by the hospitals;
- to assess the economy and effectiveness of the system of procurement and utilization of medical equipment and stores ; and
- to evaluate the adequacy and effectiveness of bio-medical waste management and prevention/control of hospital associated infections.

## **1.4 Audit criteria**

The criteria used for the performance assessment were:

- the extent of utilization of funds with reference to funds budgeted and sanctioned;
- the sanctioned strength of medical staff and norms, if any, prescribed by medical councils;
- the adequacy of infrastructure with reference to patient load; and

- the adherence to norms and procedure for procurement of medical equipment and stores and their utilisation towards patient care and the provisions of the bio medical waste management rules.

### 1.5 Audit methodology

The audit methodology included:

- scrutiny of the records of the hospitals and the administrative departments concerned;
- analyzing data and evaluating performance with reference to stipulated audit criteria;
- inviting comments of the medical superintendents on the preliminary audit findings along with confirmation of facts and figures; and
- obtaining the views and comments of the administrative departments concerned on the audit observations and the proposed audit recommendations.

### Audit Findings

#### 1.6 Financial management

##### 1.6.1 Allocation and utilization of funds

Funds for the government hospitals and plan funds for hospitals under the MCD are allocated by the Department of Health and Family Welfare while funds for the hospital under NDMC are allocated by the Urban Development Department of the Government of Delhi. The allocation and utilization of funds in the four hospitals during the years 2001-02 to 2005-06 were as follows:

**Table 1.1: Budget Allocation and Expenditure**

(Rs. in crore)

| Year    | LNH        |                    |                              |            |                    |                              | DDUH       |                    |                              |            |                    |                              |
|---------|------------|--------------------|------------------------------|------------|--------------------|------------------------------|------------|--------------------|------------------------------|------------|--------------------|------------------------------|
|         | Plan       |                    |                              | Non-Plan   |                    |                              | Plan       |                    |                              | Non-Plan   |                    |                              |
|         | Allocation | Actual expenditure | Excess(+)/Savings(-) (% age) | Allocation | Actual expenditure | Excess(+)/Savings(-) (% age) | Allocation | Actual expenditure | Excess(+)/Savings(-) (% age) | Allocation | Actual expenditure | Excess(+)/Savings(-) (% age) |
| 2001-02 | 27.05      | 26.52              | (-)0.53(2)                   | 58.71      | 58.23              | (-)0.48(0.8)                 | 18.00      | 14.12              | (-)3.88(21)                  | 23.42      | 23.23              | (-)0.19(0.8)                 |
| 2002-03 | 19.40      | 19.35              | (-)0.05(0.3)                 | 63.50      | 63.45              | (-)0.05                      | 16.00      | 15.14              | (-)0.86(5)                   | 24.41      | 24.25              | (-)0.16(0.7)                 |
| 2003-04 | 18.25      | 18.12              | (-)0.13(0.7)                 | 60.02      | 59.93              | (-)0.09(0.1)                 | 15.00      | 11.76              | (-)3.24(22)                  | 25.13      | 25.09              | (-)0.04(0.2)                 |
| 2004-05 | 30.00      | 29.88              | (-)0.12(0.4)                 | 65.80      | 65.75              | (-)0.05                      | 23.00      | 19.21              | (-)3.79(16)                  | 28.76      | 28.68              | (-)0.08(0.3)                 |
| 2005-06 | 46.00      | 45.88              | (-)0.12(0.2)                 | 67.95      | 67.72              | (-)0.23(0.3)                 | 32.00      | 26.54              | (-)5.46(17)                  | 29.85      | 29.56              | (-)0.29(1)                   |

(Rs. in crore)

| Year    | HRH             |                            |                                     |                 |                            |                                     | CPH             |                            |                                     |                 |                            |                                     |
|---------|-----------------|----------------------------|-------------------------------------|-----------------|----------------------------|-------------------------------------|-----------------|----------------------------|-------------------------------------|-----------------|----------------------------|-------------------------------------|
|         | Plan            |                            |                                     | Non-Plan        |                            |                                     | Plan            |                            |                                     | Non-Plan(*)     |                            |                                     |
|         | Alloca-<br>tion | Actual<br>expend<br>-iture | Excess(+)/<br>Savings(-)<br>(% age) | Alloca-<br>tion | Actual<br>expend<br>-iture | Excess(+)/<br>Savings(-)<br>(% age) | Alloca-<br>tion | Actual<br>expend<br>-iture | Excess(+)/<br>Savings(-)<br>(% age) | Alloca-<br>tion | Actual<br>expend<br>-iture | Excess(+)/<br>Savings(-)<br>(% age) |
| 2001-02 | 2.80            | 2.45                       | (-)0.35(13)                         | 39.71           | 34.60                      | (-)5.11(13)                         | 0.50            | 0.37                       | (-)0.13(26)                         | 5.00            | 4.81                       | (-)0.19(4)                          |
| 2002-03 | 2.70            | 2.15                       | (-)0.55(20)                         | 43.26           | 39.52                      | (-)3.74(9)                          | 0.35            | 0.08                       | (-)0.27(77)                         | 5.46            | 6.05                       | (+)0.59(11)                         |
| 2003-04 | 2.10            | 2.19                       | (+)0.09(4)                          | 44.27           | 37.48                      | (-)6.79(15)                         | 0.51            | 0.28                       | (-)0.2(45)                          | 6.09            | 6.11                       | (+)0.02(0.3)                        |
| 2004-05 | 2.30            | 2.30                       | NIL                                 | 46.10           | 36.38                      | (-)9.72(21)                         | 0.60            | 0.59                       | (-)0.01(2)                          | 7.96            | 8.28                       | (+)0.32(4)                          |
| 2005-06 | 1.55            | 1.53                       | (-)0.02(1)                          | 57.65           | 38.98                      | (-)18.6(32)                         | 0.20            | 0.19                       | (-)0.01(5)                          | 7.37            | 8.59                       | (+)1.22(16)                         |

(\*)Allocation/expenditure under medicines and equipments for the years 2004-06 meant for whole medical sector of NDMC.

While allocated funds were utilized almost fully by LNH, there were persistent savings in DDUH under the Plan head ranging between 16 to 22 per cent in all the years except 2002-03. A detailed analysis of the expenditure in DDUH revealed that there were savings of 22 to 98 per cent under individual heads like machinery and equipment and computerization of hospital records.

Utilisation of funds in HRH was not very efficient as substantial amounts remained unutilized under Plan heads. In HRH, there were savings of 13 and 20 per cent during 2001-02 and 2002-03 respectively under Plan head and in CPH savings were as high as 26 to 77 per cent during 2001-04.

Of the four hospitals, HRH could not fully utilize allocations under non-Plan heads.

Such repeated savings reflected poor budgeting practices, inefficient funds management and poor implementation of plan schemes and projects. In fact, the funds which remained unutilized could have been assessed by the hospitals at the Revised Estimates stage and surrendered for better utilization in other priority areas.

MCD stated (November 2006) that it would ensure full and optimal utilization of allocated funds/budget. No replies were received in respect of the savings from the other three hospitals.

### 1.6.2 Non-adjustment of advances

Rules\* stipulate that moneys drawn on abstract contingent (AC) bills for payment of advances to suppliers of stores should be adjusted within a period of one month from the date of drawl by submission of detailed bill. Scrutiny of records of the hospitals for the years 2001-06 revealed that advances of Rs.16.41 crore (LNH-Rs.9.82 crore, DDUH-Rs.6.17 crore and HRH-Rs.42 lakh) drawn on AC bills during the years 1996-97 to 2005-06 mainly for opening of letters of credit (LOC) for procurement of equipment from foreign

\* Rule 118 of Receipts and Payments Rules



suppliers had not been adjusted as of June 2006 due to non-submission of adjustment accounts by the banks. During the years 2004-06, LNH and DDUH had received refunds amounting to Rs.88.45 lakh after adjustment of the advances. Hence, inordinate delay in adjustment of these advances drawn on AC bills involved the possibility of deferring the refund of government funds lying for prolonged periods with the banks.

Government stated (October/November 2006) that Rs.6.32 crore and Rs.0.32 crore had been adjusted in LNH and DDUH respectively and efforts were being made to settle the remaining advance in LNH. MCD stated (November 2006) that efforts would be made to get the advances adjusted in respect of HRH. Such delays ranging upto nine years in adjustments of advances drawn for opening LOC indicate lack of effective control and monitoring, and deficient financial management.

### ***1.6.3 Avoidable expenditure on payment of electricity charges***

Expenditure on electricity is an important component of hospital expenditure. The electricity tariff provides that domestic rates may be charged for electricity consumed by hospitals.

Scrutiny of the records for the period from July 2002 to May 2005 of LNH and DDUH revealed that the hospitals paid energy charges and demand charges amounting to Rs.23.19 crore at non-domestic rates resulting in excess payment of Rs.6.23 crore as shown in the table below:

**Table 1.2: Excess payment of electricity charges**

***(Rs. in Crore)***

| Hospitals    | Electricity charges paid |                |              | Electricity charges payable |                |              | Excess payment |
|--------------|--------------------------|----------------|--------------|-----------------------------|----------------|--------------|----------------|
|              | Energy charges           | Demand Charges | Total        | Energy charges              | Demand Charges | Total        |                |
| LNH          | 12.17                    | 2.18           | 14.35        | 11.00                       | 0.15           | 11.15        | 3.20           |
| DDUH         | 6.12                     | 2.72           | 8.84         | 5.63                        | 0.18           | 5.81         | 3.03           |
| <b>Total</b> | <b>18.29</b>             | <b>4.90</b>    | <b>23.19</b> | <b>16.63</b>                | <b>0.33</b>    | <b>16.96</b> | <b>6.23</b>    |

Government stated (October 2006) that payment of electricity charges were being made at domestic rates since May 2005. The Government, however, did not explain the circumstances that led to excess payment of Rs. 6.23 crore by the two hospitals on account of payment of electricity charges. Payment of electricity charges at rates higher than required indicates ineffective internal controls relating to payments and monitoring of hospital expenditure.

### ***Recommendation***

*The hospitals should ensure optimal utilization of allocated funds, exercise effective control over payments of various charges and effect timely adjustment of advances for better management of their financial resources.*

## 1.7 Manpower resources

The quality and efficiency of medical care that the hospitals are expected to provide largely depend on the adequacy of the manpower resources, both medical and para-medical, available to them. The performance audit revealed shortfalls in medical and para-medical staff as brought out in the succeeding paragraphs.

### 1.7.1 Shortages of medical and para-medical staff

The sanctioned strength of medical and para-medical staff for the Government hospitals is determined by the Planning Department of the Government of Delhi and by the respective municipal corporation/council for the hospitals under their administrative control. The men-in-position vis-à-vis the sanctioned strength in respect of the four hospitals as on 31 March 2006 was as given in the table below:

**Table 1.3: Staff Position in the two hospitals of Government of Delhi**

| Cadre              | Sanctioned strength | LNH             |           |                    | DDUH                |                 |           |                    |
|--------------------|---------------------|-----------------|-----------|--------------------|---------------------|-----------------|-----------|--------------------|
|                    |                     | Men-in-position | Shortfall | % age of shortfall | Sanctioned strength | Men-in-position | Shortfall | % age of shortfall |
| Medical Staff      | 473                 | 354             | 119       | 25                 | 429                 | 429             | Nil       | Nil                |
| Para Medical Staff | 534                 | 335             | 199       | 37                 | 209                 | 167             | 42        | 20                 |

**Table 1.4: Staff Position in the two municipal hospitals**

| Cadre              | Sanctioned strength | HRH             |           |                    | CPH                 |                 |           |                    |
|--------------------|---------------------|-----------------|-----------|--------------------|---------------------|-----------------|-----------|--------------------|
|                    |                     | Men-in-position | Shortfall | % age of shortfall | Sanctioned strength | Men-in-position | Shortfall | % age of shortfall |
| Medical Staff      | 386                 | 336             | 50        | 13                 | 57                  | 44              | 13        | 23                 |
| Para Medical Staff | 294                 | 228             | 66        | 22                 | 57                  | 53              | 4         | 7                  |

Shortage of staff ranged from 7 to 37 per cent.

LNH was the worst affected hospital with deficiency of 25 per cent in medical and 37 per cent in para medical staff. Two municipal hospitals also had significant deficiencies in medical staff to the extent of 13 to 23 per cent of sanctioned strength.

Further, Audit scrutiny revealed that there was also an increase in the patient load in these hospitals during last five years (2001-06) as shown below

**Table 1.5: Percentage increase/decrease in number of patients**

| Hospitals | Increase (+)/Decrease(-) in the number of patients (%) |         |
|-----------|--|---------|
|           | Indoor   | Outdoor |
| LNH       | 16   | 8       |
| DDUH      | 25   | 14      |
| HRH       | 11   | 10      |
| CPH       | (-2.5)   | 24      |

No exercise had been done in the five years to review the adequacy of the sanctioned strength in the hospitals despite increase in patient load. Shortages of manpower adversely affected the hospitals' ability to render efficient medical and diagnostic services to people as discussed in paragraphs 1.8 & 1.9. Test check in one hospital (HRH) also revealed the following:

**1.7.1.1** Department of Neurosurgery could not be established in HRH due to non-filling up of two sanctioned post of neurosurgeons. Consequently, 147 head injury cases reported to the hospital during 2003-05 had to be referred to other hospitals/trauma centres.

**1.7.1.2** Against one sanctioned post of a specialist, no specialist was appointed since 2004-05 in department of burns and plastic surgery. As a result, the OPD was not being run since 2004-05, though the department treated 3,341 patients during the preceding years 2001-03.

**1.7.1.3** The department of psychiatry has one sanctioned post of a specialist. The only available specialist left for a foreign assignment in June 2004 and since then the department was being managed by two medical officers of which only one had a diploma in psychiatry. No OPD was being run since 2004, whereas, 25,417 patients were treated during the preceding year 2001-03.

The Government and the MCD stated (October/November 2006) that the matter of shortage of staff was under consideration of the Government.

## 1.7.2 Shortage of nurses

The Indian Nursing Council has prescribed norms for nurses in hospitals. The position of sanctioned posts vis-à-vis the norms and the actual strength of the nurses in four hospitals as of March 2006 was as under:

**Table 1.6: Staff position of Nurses**

| Name of hospital | Required as per norms | Sanctioned posts | Actual      | Shortage vis-a-vis norms (%) | Shortage vis-a-vis sanctioned posts (%) |
|------------------|-----------------------|------------------|-------------|------------------------------|---|
| LNH              | 1434                  | 1120             | 737         | 49                           | 34                                      |
| DDUH             | 478                   | 427              | 381         | 20                           | 11                                      |
| HRH              | 528                   | 428              | 363         | 31                           | 15                                      |
| CPH              | 79                    | 69               | 55          | 30                           | 20                                      |
| <b>Total</b>     | <b>2519</b>           | <b>2044</b>      | <b>1536</b> | <b>39</b>                    | <b>25</b>                               |

There was an overall shortage of 39 per cent in nursing staff with respect to norms and 25 per cent with reference to the sanctioned posts. In individual hospitals, the shortages ranged from 20 to 49 per cent as compared to the norms and from 11 to 34 per cent when compared to the sanctioned posts. Such

shortages in the strength of nursing staff are likely to adversely affect the capacity of the hospitals to treat patients and provide quality patient care.

The Government and the MCD stated (October/November 2006) that the matter of shortage of staff was under consideration of the competent authority.

### **Recommendation**

*The hospital and departmental authorities should undertake an overall manpower review to assess the actual requirement of manpower hospital-wise and take effective steps to fill in the critical vacancies so that the ability of the hospitals to offer the full range of intended health care services is not hindered.*

## **1.8 Patient care**

### **1.8.1 Out-Patient Department**

#### **1.8.1.1 Patients awaiting surgery**

The position of patients awaiting surgery in the different departments of LNH DDUH, HRH and CPH was as under:

**Table 1.7: Patients awaiting surgery**

| Name of the department | Total number of patients awaiting surgery | Date on which the surgery likely to be conducted | Reasons for awaiting surgery  |
|------------------------|---|--|---|
| <b>LNH</b>             |   |  |   |
| Orthopedic             | 42  | 2-3 months                                       | Less operation time   |
| Neurology              | 5   | 2-4 months                                       | Non availability of OT  |
| <b>DDUH</b>            |   |  |   |
| Orthopedic             | 60  | 3-4 weeks  | Lack of operation time  |
| Burns & Plastics       | 42  | 2 months   | OT days are less  |
| ENT                    | 65  | 2-3 months                                       | OT days are less  |
| <b>HRH</b>             |   |  |   |
| ENT                    | 30  | 15 days -2 months                                | Shortage of staff   |
| <b>CPH</b>             |   |  |   |
| Orthopedic             | 10  | 3-4 weeks  | Shortage of support staff, less OT days, increase in number of patients |
| Surgery                | 60  | 1 - 2 ½ months                                   |   |

*Note: Figures of LNH and DDUH are as on 31 March 2006 and HRH and CPH are as on 4 August 2006.*

The waiting time for patients awaiting surgery in the four hospitals ranged from 15 to 120 days. The waiting time for Orthopedic surgery in LNH was much higher as compared to CPH and DDUH and the neurosurgery department

of LNH did not have any OT despite availability of a neurosurgeon. As such, neurosurgeries in LNH were conducted in the emergency OT as and when it was available. The waiting period in DDUH, HRH and CPH was due to shortage of staff or of OTs. Hence, inadequacy of medical staff and basic medical equipment and facilities seriously impacted the capability of the hospitals to perform timely surgical procedures on patients.

Government stated (October/November 2006) that construction of new building was under progress in LNH and separate OTs would be provided once it was complete. It further stated that OT days and time would be increased in DDUH to reduce waiting time of patients. MCD confirmed (November 2006) the audit findings and attributed the delays in HRH to shortage of staff.

### 1.8.1.2 Delay in investigations

There was waiting period of 6 to 59 days for radiological and cardiological tests due to shortage of staff.

Timely and expeditious diagnosis is a pre-requisite to early curative treatment. Audit scrutiny in HRH and CPH revealed that there was a backlog of patients, who had been prescribed various radiological and cardiological tests and investigations ranging from six days to nearly two months as depicted below:

**Table 1.8: Patients awaiting investigations**

| Sl. No. | Particular of test     | Total number of patients awaiting test (OPD)                    | Date by which backlog likely to be cleared | Backlog            |
|---------|------------------------|---|--|--------------------|
| 1       | Echocardiography       | 137 (HRH) (as of 2 April 2006)<br>18 (CPH) (as of 15 June 2006) | 31 May 2006<br>21 June 2006                | 59 days<br>6 days  |
| 2       | TMT                    | 28 (HRH) (as of 2 April 2006)                                   | 2 May 2006                                 | 30 days            |
| 3       | Ultrasound             | 782 (HRH) (as of 11 May 2006)<br>51 (CPH) (as on 14 June 2006)  | 31 May 2006<br>23 June 2006                | 21 days<br>10 days |
| 4       | Intravenous polygraphy | 22 (HRH) (as of 11 May 2006)                                    | 24 May 2006                                | 14 days            |
| 5       | Barium Study           | 8 (HRH) (as of 11 May 2006)                                     | 22 May 2006                                | 13 days            |

The waiting time for cardiological tests and ultrasound was much higher in HRH as compared to CPH. Audit scrutiny also revealed that against sanctioned posts of five specialists, seven medical officers and two junior residents in Radiology department of HRH, there were only two specialists and three medical officers. Similarly in the Cardiology department, there were four senior residents, against the sanctioned strength of five senior residents, that declined to one in April 2006.

Since diagnostic services help doctors in making early and accurate diagnosis of disease and charting out the treatment plan, such delays could adversely impact patient care.

MCD attributed (November 2006) the backlog to shortage of staff and stated that the matter had been taken up with the concerned authorities.

### 1.8.2 In-Patient Department

The average bed occupancy in the different hospitals during 2001-06 was as given in the table below:

**Table 1.9: Average bed occupancy**

| Hospital    | Average bed occupancy in percentage |      |      |      |      |
|-------------|-------------------------------------|------|------|------|------|
|             | 2001                                | 2002 | 2003 | 2004 | 2005 |
| <b>LNH</b>  | 125                                 | 124  | 126  | 125  | 123  |
| <b>DDUH</b> | 119                                 | 124  | 123  | 120  | 123  |
| <b>HRH</b>  | NA*                                 | NA   | NA   | 74   | 71   |
| <b>CPH</b>  | NA                                  | NA   | NA   | NA   | NA   |

\* NA-Not available due to non-maintenance of records.

The sanctioned vis-à-vis actual bed strength for indoor patients and average bed occupancy in the four hospitals during period from 2001-02 to 2005-06 is detailed in *Annexure -I*

**Figure -1: Internal bed occupancy in Lok Nayak Hospital and Deen Dayal Upadhyay Hospital**



Of the four hospitals test checked, LNH and HRH had shortage of beds of only seven *per cent* and nine *per cent* respectively with reference to the number of beds sanctioned and there were no shortages in the other two hospitals. But due to increase in patient load without corresponding increase in the bed strength, the average bed occupancy was at times more than one patient per bed in LNH and DDUH. In these two hospitals ( DDUH and LNH) the average bed occupancy rate ranged from 119 to 126 *per cent* during 2001-05 indicating over-crowding in wards of indoor patients. Sharing of beds by the seriously ill patients could cause both stress and discomfort to the patients as well as expose them to the risks of infection.

The two municipal hospitals did not even maintain any records as to bed occupancy. HRH started maintaining such records from the calendar year 2004

**There was overcrowding at DDUH and LNH while beds remained vacant in HRH.**

depicting 26 to 29 *per cent* beds remaining unoccupied during the two calendar years of 2004 and 2005. CPH, however, did not maintain any record of bed occupancy.

The Government accepted (October 2006) the facts and figures reported by audit in respect of LNH. MCD attributed (November 2006) the low bed occupancy in HRH to shortage of specialists and non-admission of patients in Eye, ENT, Burns & Plastic wards located in heritage building during this period as it was under renovation.

### **Recommendation**

*The hospital need to pool their resources so as to minimize the waiting time of patients for both investigations as well as surgeries. The department may also consider creating an on-line network connecting all public hospitals in Delhi whereby patients in an overcrowded hospital may be offered an option to shift to other government or municipal hospitals in the city where beds may be available.*

## **1.9 Casualty and emergency services**

The Emergency department is required to render a comprehensive range of services from elementary first aid and general out patients' services to sophisticated management of surgical and medical emergencies and full-scale trauma care. All the four hospitals were operating round the clock (three shifts) casualty and emergency services. Audit examination disclosed that the casualty and emergency services in the hospitals were hampered due to inadequacy of beds, shortage of medical staff, essential drugs and necessary equipment and facilities.

The number of patients received in casualty, admitted in the emergency wards and surgeries performed during the period 2001-06 in the four hospitals are given in *Annexure- II*

Audit analysis revealed the following:

**1.9.1** The emergency wards in LNH and DDUH had a bed capacity of 40 and 37 which would mean availability of 14,600 and 13,505 bed days respectively during a year. Against this, annual admissions during the years 2001-02 to 2005-06 ranged from 35,735 to 50,474 in LNH and from 26,927 to 39,411 patients in DDUH, i.e. an average bed occupancy of 282 *per cent* and 236 *per cent* respectively. Thus at times, two to three patients had to be accommodated on a single bed.

**1.9.2** In LNH and DDUH, the time of arrival of patient in casualty was not recorded in any register/admission card of the patient. It was only in medico legal cases that the time when the doctor examined the patient was recorded. Consequently, the time gap between arrival of a patient and his receiving medical aid could not be ascertained.

**1.9.3** Further, in DDUH, 12 items of essential medicines indented by the casualty and emergency departments were not supplied by the store for a period ranging from three months to 18 months. Of these 12 items, eight medicines/injections were awaited in casualty/emergency as of May 2006, thus, affecting the patient care services adversely in respect of patients suffering from hypertension, infections, abdominal pains, hypothermia and gangrene. In DDUH, a spinal stretcher board and board for cardiac massage indented by the casualty department in June 2005 had not been procured as of May 2006.

**Figure - 2: Casualty and Emergency in Deen Dayal Updhyay Hospital and Lok Nayak Hospital**



**1.9.4** Against the sanction of 100 beds in emergency ward in HRH only 49 were available. Test check of records for the year 2005 revealed that the bed occupancy ranged up to 122 *per cent* in emergency ward.

**1.9.5** In CPH, there was no sanctioned post of medical and para medical staff against a requirement of six medical and 21 para medical staff to run the emergency services. Similarly against a requirement of 22 staff nurses, 11 posts were sanctioned of which eight were actually filled up. At present, emergency services at CPH were being managed by one medical officer/senior resident, one junior resident and two para medical staff. While confirming the facts in August 2006, the hospital stated that emergency services were being managed with the existing staff and the shortage of staff had affected the patient care.



Government stated (October/November 2006) that necessary directions had been issued to the departments concerned for further improvement in the system and for putting the time of arrival of patient in the emergency register. It added that casualty in DDUH was likely to be shifted to the trauma block which would automatically expand it. The reply furnished by the Government lacked content as the trauma block it referred to had not been handed over to DDUH as of September 2006 since its construction in August 2004. MCD confirmed (November 2006) that the shortfall in actual beds in HRH was due to utilization of space for other services like CT scan center, physiotherapy and labour room. However, there was no indication as to how the shortfall in beds for emergency services was to be made up.

It was evident that casualty and emergency services were not receiving the necessary attention and priority in terms of infrastructure and supplies and consequently, they were not adequately equipped to provide emergent medical assistance to the patients.

### **Recommendations**

- *The casualty and emergency departments need to be strengthened on a priority basis commensurate with the increasing number of patients received. Availability of essential equipment, drugs and medicines should be ensured.*
- *In order to ensure as well as monitor timely treatment, the time of arrival of a patient in emergency and the time when emergent medical aid is given should be recorded and periodically reviewed by the medical superintendent.*

### **1.10 Procurement of equipment and medicines**

An efficient system of procurement would involve timely assessment of requirements and effecting of purchases in an economic and efficient manner.

Audit scrutiny of procurement in the four hospitals revealed non-adherence to stipulated procedures, adhocism in assessment of requirements, delay in both placing of orders as well as in commissioning of equipment even after their receipt which not only resulted in wastage of financial resources but also deprived the patients of timely medical care as discussed in the succeeding paragraphs.

### 1.10.1 Violation of purchase procedure

Extra expenditure of Rs.31.67 lakh ignoring the lowest tenders.

During 2003-04, DDUH purchased equipment and medicines valuing Rs.8.17 crore by inviting only financial bids in contravention of the purchase procedure. Neither the technical specifications were prescribed nor were technical bids invited. Subsequently, 73 supply orders were awarded ignoring the lowest tenderers (up to L-7) without any clear justification on record. Non-acceptance of the lowest tenderers resulted in an extra expenditure of Rs.31.67 lakh.

Government stated (November 2006) that tenders were floated in single bid system during 2003-04 that was changed subsequently to three bid systems. Audit scrutiny however revealed that the three bids system was being regularly followed prior to 2003-04 and also in subsequent years. Hence, the purchases lacked financial probity and need to be investigated.

### 1.10.2 Delay in purchase of equipment

Audit scrutiny of procurement cases in three hospitals (LNH, DDUH and HRH) disclosed that 72 per cent of the procurements made during 2001-06 were delayed as shown in the table below:

**Table 1.10: Delay in procurement**

| Hospital     | Total No Purchase orders issued | Cases where procurement/supply was delayed | Percentage of delayed cases | Period of delay (in months) |
|--------------|---------------------------------|--|-----------------------------|-----------------------------|
| LNH          | 43                              | 16   | 37.21                       | 14 to 44                    |
| DDUH         | 19                              | 19   | 100                         | 5 to 48                     |
| HRH          | 44                              | 41   | 93.18                       | 4 to 47                     |
| <b>Total</b> | <b>106</b>                      | <b>76</b>                                  | <b>71.69</b>                |                             |

No procurement case was finalised in time by DDUH and the position in HRH was equally grave. Purchases of 76 equipment in the three hospitals valued at Rs. 8.20 crore were delayed on account of delay in completing prescribed procedures and obtaining approvals of the competent authority which could have been avoided by better monitoring and administrative control and timely pursuance. Government stated (October 2006) that directions had been issued to improve the system. MCD confirmed (November 2006) the audit findings.

### 1.10.3 Impact of delay in procurement of medical equipment

Delay in procuring important medical equipment hampers rendering of prompt and quality medical services to the people. Test check in HRH and DDUH disclosed the following :

**1.10.3.1** One tread mill test machine and one echo cardiographic machine were declared Beyond Economical Repair (BER) in April 2000 and December 2002 respectively. Specifications for replacement of tread mill test machine was approved in October 2000 while that of the cardiographic machine was approved in February 2004. The supply order for the tread mill machine was, however, placed in March 2001 at a cost of USD 30,000 after 10 months from the date on which it was declared BER. Similarly, the supply order for the cardiographic machine was placed in August 2004 at a cost of Rs. 21 lakh i.e. 19 months after the machine was declared BER. Due to the delay, an average of 568 and 2,474 patients were deprived of requisite facilities of tread mill and cardiographic tests in the intervening period.

**1.10.3.2** DDUH purchased a Computerized Tomography (CT) scanner at a cost of Rs.2.72 crore in August 2002. The equipment was received in hospital in April 2003 but installed and commissioned in April/May 2004 i.e. after 18 months as against stipulated period of two to three months due to dispute over the make of the picture tube of the scanner. In the intervening period, an average of 4,626 patients remained deprived of the diagnostic facility.

#### ***1.10.4 Acceptance of medicines/vaccines of reduced shelf life***

One of the terms and conditions laid down by the Directorate of Health Services, Government of Delhi, for purchase of medicines is that the supplier should ensure that not more than 1/6<sup>th</sup> of shelf life had passed from the date of manufacturing at the time of supply. NDMC follows the guidelines prescribed by the Government of Delhi. In MCD, 1/4<sup>th</sup> and 1/6<sup>th</sup> of shelf life should not have passed in case of medicines, and vaccines and sera respectively. Audit scrutiny revealed that during the period 2004-06 and 2001-06, LNH and HRH accepted 35 and 74 supplies respectively of various medicines/vaccines valuing Rs.1.04 crore with reduced shelf life as these were supplied beyond the permissible time period.

Government stated (October 2006) that necessary instructions had been issued to concerned departments for further improvement. MCD stated (November 2006) that the prescribed shelf life of the medicines, vaccines and sera would be ensured after installation of its hospital management and information system.

#### ***Recommendation***

*The system of procurement of equipment and medicines need to be streamlined to ensure timely availability of requisitioned equipment and other medical stores so that the full benefits in terms of enhanced patient care are derived from the investments made.*

**Medicines  
valuing Rs.1.04  
crore accepted  
with reduced  
shelf life.**

### 1.11 Maintenance and utilization of equipment

Proper maintenance and upkeep of equipment is critical for patient care. The functional status of machinery and equipment in the hospitals as of June 2006 was as under:

**Table 1.11: Functional status of machinery and equipment**

| Name of hospital | Total number of equipment | Non-functional          |                    |
|------------------|---------------------------|-------------------------|--------------------|
|                  |                           | Under repair/not in use | Under condemnation |
| LNH              | 913                       | 57                      | 86                 |
| DDUH             | 225                       | 25                      | 11                 |
| HRH              | 379                       | 13                      | 49                 |
| CPH              | 125                       | 32                      | 26                 |
| <b>Total</b>     | <b>1642</b>               | <b>127</b>              | <b>172</b>         |

Thus, 7.7 per cent of the equipment were not functional in various departments as of June 2006 for want of repairs. Further Audit scrutiny revealed the following:

Thirty-five machines reported non-functional in HRH during March 2001 and January 2006 were repaired after an average delay of seven months. The delay was attributable to administrative delay in obtaining the estimates from the firms and sanction of the competent authority. Thirteen equipment costing Rs.19.22 lakh in HRH which included a cardiac monitor and defibrillator, incubators and diathermy machine, and two equipment in CPH costing Rs. 14.12 lakh were awaiting repairs for periods ranging from five months to twenty six months. No effective action was taken by the hospital management to expedite the repairs and bring the machines into use. Charak Palika Hospital stated (September 2006) that four equipment were repaired and sixteen were under process of condemnation. Thus, lack of effective pursuance and administrative laxity on the part of the hospital managements resulted in a large number of equipment lying in a state of disrepair for prolonged periods.

15 items of equipment costing Rs 33.34 lakh were lying non-functional for want of repair for periods upto more than two years.

#### **Recommendation**

*Time frames should be prescribed for repair of critical equipment to minimize idle time of the machines*

### 1.12 Ambulance services

LNH, DDUH, HRH and CPH have a fleet of nine, five, three and two ambulances respectively. A test check of the utilization of the ambulances during the year 2005-06 revealed that more than 50 per cent usage of

ambulances in the four hospitals (in terms of distance traveled) was for purposes other than patient care as indicated below:

**Table 1.12: Utilization of ambulances (In kms)**

| Hospital             | Shifting patients to other hospitals | Shifting of Patients to their residences | Used by doctors for emergencies | Used by doctors for other purposes | Used for misc. purposes | Total use     |
|----------------------|--------------------------------------|--|---------------------------------|------------------------------------|-------------------------|---------------|
| LNH                  | 11174                                | 6931                                     | 2350                            | 6901                               | 61063 (69%)             | 88419         |
| DDUH                 | 26140                                | 170                                      | NIL                             | 1240                               | 3066(10%)               | 30616         |
| HRH                  | 7017                                 | 409                                      | 195                             | 625                                | 9975 (55%)              | 18221         |
| CPH                  | 4998                                 | Nil                                      | 84                              | 12                                 | 5342(51%)               | 10436         |
| <b>Total</b>         | <b>49329</b>                         | <b>7510</b>                              | <b>2629</b>                     | <b>8778</b>                        | <b>79446</b>            | <b>147692</b> |
| <b>% utilisation</b> | <b>33.40</b>                         | <b>5.08</b>                              | <b>1.78</b>                     | <b>5.94</b>                        | <b>53.79</b>            |               |

Thus, all hospitals except DDUH had been using ambulances largely for other/miscellaneous purposes rather than patient care. It was also noticed that the ambulances in LNH and CPH were not equipped with essential equipment for basic life support such as oxygen cylinders, suction pump, blood pressure instrument, stethoscope, first aid bag, pain relievers, etc.

Government stated (October 2006) that a Central Accident Trauma Service (CAT) had been introduced which met most of the ambulance service requirement. The reply is not tenable as the CAT service is primarily for accidents and trauma cases while ambulances are required for patient care.

### **Recommendation**

*The ambulances should have all essential equipment for emergency patient care in hours of need and should ordinarily not be diverted for non-medical purposes.*

## **1.13 Availability of essential drugs and medicines**

The Directorate of Health Services, Government of Delhi, prescribed in 2002 a list of 359 essential drugs and medicines for its hospitals. There should not normally be a position of 'no stock' in respect of these medicines. Audit scrutiny of the records of the hospitals revealed as under:

### **1.13.1 Non-availability of essential life saving drugs and medicines for serious diseases including terminally ill patients**

LNH, HRH and CPH could not make available 93, 67 and 69 essential drugs and medicines respectively required for treatment of cases of cancer, diabetes, hypertension, typhoid, tuberculosis, blood clotting, Parkinson's disease and epilepsy patients for periods ranging from one month to five years during 2001-06. Due to non-availability of essential drugs/medicines, patients were compelled to purchase the same from outside. Audit analysis also revealed

**Essential medicines were not available for one month to 5 years in LNH, HRH and CPH .**

delays of four days to 15 months in HRH in initiating procurement procedures after consumption of stock.

MCD stated (November 2006) that alternative arrangements/substitutes were ensured in emergency cases. The reply is not tenable as action to replenish stocks should have been taken in time so as to ensure their availability at all times.

CPH stated (September 2006) that the hospital procures medicines required by its departments. Some of the medicines, though enlisted under the essential drugs by the Government of Delhi, are not relevant to the hospital and hence not stocked. The reply is not tenable as audit has pointed out only those medicines that were being purchased and used by the hospital.

Government stated (October 2006) that the system had been improved and all essential life saving drugs and medicines were now available.

A test check of records from January 2004 to June 2006 of the thalassaemia wards of CPH further revealed that life saving drugs Kelfar and Desfrol used to minimize the iron contents in thalassaemia patients were not available for 14 to 156 days. Consequently, 4,075 indoor patients could not be administered these medicines. Accepting the facts, the hospital management attributed (July 2006) the non-availability of the drugs to procedural delays and delays in supply by the single firm manufacturing these drugs. It added that the medicines were purchased by the patients themselves from the Thalassaemia Society. Though it was a life saving drug, the hospital initiated the procurement process after a delay of two to four months of consumption of the stock which deprived the patients of the requisite facilities intended to be provided to them by the hospital.

### ***1.13.2 Non-accountal of medicines and surgical consumable items***

A test check of the records of various wards/OTs in HRH for the years 2003-04 to 2005-06 revealed that records for actual consumption were not being maintained for general medicines/surgical consumables issued to them by the main stores. The value of the stores issued during this period was Rs.5.40 crore. In the absence of such records, the actual consumption/utilization of the medicines/surgical items issued from the main stores could not be verified in audit.

MCD attributed (November 2006) the non-maintenance of the records to shortage of staff nurses and stated that instructions had been issued to maintain stock register of all the items procured from the main store and consumed.

**HRH did not maintain records for actual consumption of general medicines/surgical consumable worth Rs. 5.40 crore.**

**Recommendation**

*Stock registers must be maintained at the ward and OT levels for all medicines/drugs/consumables received from the main store to guard against pilferages and wastages.*

**1.14 Undue delay in augmentation of facilities**

Given the ever increasing patient load and the general shortage of space and necessary medical facilities leading to over-crowding and delays in treatment, it was incumbent on the department/hospitals to augment the existing facilities in time.

**Delay of 6 to 47 months resulted in cost escalation by Rs.3.43 crore.**

Audit scrutiny revealed that the Government of Delhi sanctioned four works during 2000-03 for augmentation of facilities at LNH and DDUH at a total cost of Rs. 100.03 crore. There were, however, delays ranging from six months to nearly four years in completion of sanctioned works as indicated below:

**Table 1.13: Execution of works as on May/June 2006**

| Sl. No. | Name of work                                      | Work Cost (Rs. in Crore) | Stipulated date of start | Stipulated date of completion | Date of actual completion                              | Delay in months | Cost escalation (Rs. in crore) |
|---------|---|--------------------------|--------------------------|-------------------------------|--|-----------------|--------------------------------|
| 1       | General & Special Ward (LNH)                      | 25.03                    | 3.11.2000                | 2.11.03                       | Work in progress of General Ward (98% completed)       | 29              | 1.11                           |
| 2.      | C/c Casualty Block (LNH)                          | 24.17                    | 15.11.01                 | 14.5.04                       | Work in progress (90% completed)                       | 25              | 0.35                           |
| 3       | (a)C/o Orthopedic Block<br>(b) Balance work (LNH) | 14.41                    | 21.7.2000<br>27.4.03     | 20.7.02<br>26.11.04           | Contract rescinded<br>Work in progress (80% completed) | 47              | 0.15                           |
| 4.      | 300 Bedded Super Specialty Wing (DDUH)            | 36.15                    | 27.6.03                  | 26.12.05                      | Work in progress (93%)                                 | 6               | 1.82                           |
|         | <b>TOTAL</b>                                      | <b>100.03</b>            |                          |                               |  |                 | <b>3.43</b>                    |

The slippages were largely attributable to delay in demolishing the existing buildings, shifting of underground services, availability of site in piecemeal, rescission of original contract etc. Besides denying the much needed facilities to the patients, the delays resulted in cost escalation of Rs. 3.43 crore.

Audit further observed that civil construction works for 140 bedded Trauma-cum-Emergency Block at DDUH was completed in August 2004 at a cost of Rs. 7.78 crore. The building could, however, not be handed over/taken over as of August 2006 as the staff required to make the trauma block functional has

not been decided by the department. Consequently, orders for necessary medical equipment/gadgets had to be delayed till availability of adequate staff.

Government stated (November 2006) that possession of the building could not be taken due to pendency of some electrical and development works, fire safety clearance and No Objection Certificate from MCD.

### ***Recommendation***

*Given the urgent need for augmentation of facilities, an inter-departmental mechanism should be established with PWD for monitoring the progress of works so as to ensure their expeditious completion. Procedures for taking over and bringing into operation of constructed buildings should be streamlined so as to obviate any delay.*

## **1.15 Management of bio-medical wastes**

The Union Ministry of Environment and Forests notified in July 1998 the Bio-Medical Waste (Management and Handling) Rules 1998 to regulate the generation, storage, transportation, treatment and disposal of bio-medical waste. Mention was made in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 regarding various instances of non-compliance of the rules by the various hospitals including the four hospitals covered in the current performance audit exercise. The Government of Delhi had informed in October 2002 that bio-medical waste management was a continuous process that required constant attention and commitment by the in-charge of the hospital. It was also added that all the hospitals had been directed to take necessary steps/measures to ensure compliance with the Rules. Audit scrutiny however, revealed that the hospitals were still lacking in observance of rules as discussed below:

### ***1.15.1 Deficiencies in management of bio-medical waste***

The Audit Report for the year ended 31 March 2001 had brought out the shortcomings in segregation of bio-medical waste and in handling of bags and waste. However, inspections conducted by the Delhi Pollution Control Committee (DPCC) in LNH (August 2003 and December 2004) and in HRH (May 2006) revealed continuing deviations such as non-provision of isolated storage site, bio-liquid waste leaking from yellow bags lying outside the incinerator plant, lack of segregation of bio-waste in wards and non-labeling of bags containing bio-medical waste in both the hospitals.

Government stated (October 2006) that instructions had been issued for proper segregation of bio-medical waste to maintain hygiene and healthy environment

**Hospitals did not follow Bio-medical Waste Rules 1998.**



at the incinerator site. MCD stated (November 2006) that due to shortage of staff, a proposal has been initiated for outsourcing of collection/transportation of bio-medical waste. Management was thus yet to fully enforce the rules even though the non-compliance had been highlighted in audit nearly five years ago.

### ***1.15.2 Under-utilisation of incinerators***

**Incinerators were underutilized in HRH hospital.**

The Audit Report had also highlighted under-utilization of incinerators installed by the MCD in HRH. The MCD in its Action Taken Note stated in January 2003 that all the health centres of MCD would be attached to the incinerators installed at HRH for optimum capacity utilization. Audit scrutiny revealed that no action had been taken in HRH as of June 2006 to utilize the spare capacity of incinerators despite the lapse of more than three years and gross under-utilization of incinerators.

MCD stated (October 2006) that though an incinerator had been installed for disposal of all types of hospital waste, the DPCC had directed that only infectious waste is to be incinerated. Hence, the incinerator remained under-utilised. The reply is not tenable as continued under-utilization of incinerators clearly indicated that all the health centres of MCD were yet to be integrated with the spare capacity in HRH even for disposal of infectious waste.

### ***Recommendation***

*The department/hospitals should make serious efforts to ensure compliance with the bio-medical waste rules through an oversight mechanism for management of storage, transportation, treatment and disposal of bio-medical waste in the hospitals.*

## **1.16 Non-compliance to the provisions of Hospital Manual**

The Hospital Manual issued by the Directorate General of Health Services, Ministry of Health & Family Welfare of the Government of India envisages constitution of a Hospital Infection Control Committee (HICC) by each hospital for the prevention and control of hospital associated infections. The primary function of the committee is to formulate policies regarding provision of equipment, isolation facilities and standardization of procedure for operation theatres, wards, kitchen, disinfection procedure, etc. in the hospital. It is to meet at least once every three months. The manual also envisages establishment of a mechanism for redressal of patient grievances including nomination of a Grievance Redressal Officer (GRO), placing of complaint boxes at strategic locations, registering and acknowledgement of complaints and follow up and monitoring of grievances by a committee headed by Medical Superintendent/Additional Medical Superintendent. Audit scrutiny of the

implementation and efficacy of these provisions in the hospitals revealed as follows:

### **1.16.1 Hospital infection control**

#### **1.16.1.1 LN hospital**

The HICC headed by the medical superintendent was constituted in July 2004 which met only once in July 2004. The HICC has not formulated any policy for provision of equipment, isolation facilities, standardization of procedures for OTs, wards, kitchen, disinfection policy etc.

Infection control nurse is a very important part of the infection control team and functions as a liaison between the clinical departments and the microbiologist. Though an infection control team has been conducting surveillance activities, no infection control nurse was available in the hospital for collection of specimens from the high risk areas such as OTs, ICU, Nursery.

Government stated (October 2006) that the HICC had been re-constituted as most of the members had been transferred since the constitution of the committee in July 2004 and meetings were now being held every month.

#### **1.16.1.2 DDU hospital**

The HICC approved in January 2004 the practice of wet mopping inside the wards, OPD rooms, OPD corridors, OTs and casualty. However, the wet mops had not been purchased as of May 2006 and the old practice of sweeping with broom and dry mopping continued thereby exposing the indoor patients to the risk of dust and infection.

Further, suspected cases of pus, blood or urine were not reported by respective wards to the Department of Microbiology. As such, timely preventive/control action in such cases could not be taken.

Analysis of pus and urine samples (wards only) lifted for culture during 2003-05 revealed positive growth in 74 to 78 *per cent* of the pus samples and in 15 to 40 *per cent* of urine samples, which was considered to be high. The cases of positive growth were not reviewed by the committee till March 2006 to arrest the high rate of positive growth.

No records were available in the hospital regarding number of staff imparted training in infection control.

Government stated (November 2006) that the HICC had started reviewing cases of infection since April 2006 and a Hospital Infection Surveillance form had been designed that would help in solving the problem of tracing the source of infection. It further stated that in the absence of any guidelines from the Central Ministry more than one patient is admitted per bed irrespective of whether the patient is new born, pregnant female, child or adult. This causes overcrowding and leads to high rate of infection.

#### ***1.16.1.3 HR hospital***

Though the bacteriological surveillance of environment in OTs, ICU and CCU were regularly conducted and monitored, the hospital did not monitor the bacteriological surveillance of environment of wards and OPDs as no samples were lifted by the hospital from these areas. MCD confirmed (November 2006) the audit findings.

#### ***1.16.1.4 CP hospital***

No infection control committee had been set up in the hospital. Forty three out of 124 samples lifted during March 2001 to May 2006 from operation theaters (35 *per cent*) were found to be positive to the presence of various bacteria. No samples from other infection prone areas like ICU, surgical wards, etc. were lifted for culture test.

CPH stated (September 2006) that infection control committee has since been constituted. However, samples were not being lifted as there was no culture facility available in the hospital.

Thus, no serious efforts have been made by the hospitals in implementing the measures stipulated in the manual for prevention and control of hospital-associated infections which could put the patients to unnecessary risk thereby complicating their treatment and recovery.

### ***1.16.2. Redressal of patient grievances***

#### ***1.16.2.1 LN hospital***

The Grievance Committee in LNH was constituted in October 2005. However, no meeting of the committee had been held as of June 2006. There was only one complaint/suggestion box at the OPD entrance and no such box was placed at other strategic locations such as casualty and emergency, post-operative wards, pharmacy, etc. While the hospital stated in April 2006 that only one complaint had been received during the period 2002-06 along with some other verbal and minor complaints that were settled on the same day, the veracity of the claim could not be confirmed by Audit as no records were maintained. The

register maintained for recording opening of complaint boxes was furnished to Audit only for the period from 18 October 2005 to 31 March 2006.

Government stated (October 2006) that complaint boxes had been placed at strategic locations and instructions had been issued for further improvement.

#### ***1.16.2.2 DDU hospital***

Though the hospital claimed in April 2006 that about five to ten complaints were received every month which were redressed by the Grievance Redressal Officer (GRO) within one month, audit scrutiny revealed that no record was maintained by the designated GRO for registering and taking follow up action on the complaints. The hospital could also not furnish the number of complaints received year-wise. It was further noticed that the proceedings of the committee meetings were not documented.

#### ***Recommendations***

- *All hospital managements may undertake a review of the measures taken to prevent and control hospital associated infections and strengthen procedures for obviating the possibility of such infections through regular surveillance and requisite training and sensitizing of all medical and para medical personnel.*
- *Patient grievance redressal mechanism needs to be strengthened with proper maintenance of records depicting receipt of complaints and the action taken on them. Minutes of all the meetings should be prepared for follow up of the decisions taken. Facilities for online registration of complaints may also be considered.*

#### **1.17 Acknowledgment**

The draft performance audit report was communicated to the department in August 2006. An exit conference was held on 29 September 2006 that was attended by the Medical Superintendents of all the four hospitals. The views expressed at the exit conference as well as those communicated thereafter by the Government and the MCD in October/November 2006 have been taken into account and reflected in the performance audit report. However, the reply of Chairperson NDMC in respect of CPH was awaited as of November 2006.

**ANNEXURE-I**  
(Referred to in Paragraph 1.8.2)

**Indoor patients position in the two government hospitals**

| Sl. No. | Description                 | 2001   |        | 2002   |        | 2003   |        | 2004   |        | 2005   |        |
|---------|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|         |                             | DDUH   | LNH    | DDUH   | LNH    | DDUH   | LNH    | DDUH   | LNH    | DDUH   | LNH    |
| 1.      | Number of sanctioned beds   | 500    | 1597   | 500    | 1597   | 500    | 1597   | 500    | 1597   | 500    | 1597   |
| 2.      | Number of actual beds       | 500    | 1432   | 500    | 1480   | 500    | 1481   | 500    | 1482   | 500    | 1482   |
| 3.      | Number of patients admitted | 50986  | 63312  | 50625  | 64424  | 52804  | 67960  | 58001  | 65554  | 63749  | 73564  |
| 4.      | Patient days(IPD)           | 217175 | 653350 | 226300 | 669848 | 224475 | 681112 | 219000 | 676162 | 224475 | 665344 |
| 5.      | Average bed occupancy (%)   | 119    | 125    | 124    | 124    | 123    | 126    | 120    | 125    | 123    | 123    |

**Indoor patients position in the two municipal hospitals**

| Sl. No. | Description                 | 2001   |       | 2002   |       | 2003   |       | 2004   |       | 2005   |       |
|---------|-----------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
|         |                             | HRH    | CPH   | HRH    | CPH   | HRH    | CPH   | HRH    | CPH   | HRH    | CPH   |
| 1.      | Number of sanctioned beds   | 980    | 150   | 980    | 150   | 980    | 150   | 980    | 150   | 980    | 150   |
| 2.      | Number of actual beds       | NA     | 150   | NA     | 150   | NA     | 150   | 895    | 150   | 895    | 150   |
| 3.      | Number of patients admitted | 51060  | 11899 | 55094  | 11304 | 57122  | 11390 | 57269  | 10988 | 56671  | 11593 |
| 4.      | Patient days(IPD)           | 202717 | NA    | 208570 | NA    | 240235 | NA    | 242393 | NA    | 231588 | NA    |
| 5.      | Average bed occupancy (%)   | NA     | NA    | NA     | NA    | NA     | NA    | 74     | NA    | 71     | NA    |

**ANNEXURE-II-**  
**(Referred to in Paragraph 1.9)**

**Details of patients received, admitted and operated**

| Year    | Patients received in casualty |        | Patients admitted in emergency ward |       | Surgical operations done in emergency OT |      |
|---------|-------------------------------|--------|-------------------------------------|-------|--|------|
|         | LNH                           | DDUH   | LNH                                 | DDUH  | LNH                                      | DDUH |
| 2001-02 | 135387                        | 127970 | 36880                               | 29955 | 17595                                    | 5719 |
| 2002-03 | 149000                        | 140808 | 35735                               | 26927 | 22729                                    | 5053 |
| 2003-04 | 145381                        | 165922 | 40430                               | 27957 | 22705                                    | 5113 |
| 2004-05 | 140103                        | 164525 | 42764                               | 35017 | 21486                                    | 6057 |
| 2005-06 | 157833                        | 187575 | 50474                               | 39411 | 17221                                    | 6340 |

| Year    | Patients received in casualty |       | Patients admitted in emergency ward |       | Surgical operations done in emergency OT |                             |
|---------|-------------------------------|-------|-------------------------------------|-------|--|-----------------------------|
|         | HRH                           | CPH   | HRH                                 | CPH   | HRH                                      | CPH                         |
| 2001-02 | 73954                         | 28541 | 17887                               | 7306  | 3399                                     | No major surgery performed. |
| 2002-03 | 67325                         | 30269 | 15096                               | 10229 | 9006                                     |                             |
| 2003-04 | 64180                         | 33947 | 20707                               | 11425 | 12812                                    |                             |
| 2004-05 | 63464                         | 34241 | 17229                               | 13525 | 13385                                    |                             |
| 2005-06 | 65641                         | 37155 | 19084                               | 14030 | 12283                                    |                             |

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## Chapter - II

### Performance Audit of Educational Development of Scheduled Castes and Scheduled Tribes

#### Highlights

Planning for implementation of the schemes for educational development of SCs and STs was not based on any definitive data or assessment of requirements. The requirement of funds was assessed and projected merely on the basis of actual expenditure incurred in the previous years on the various schemes without any systematic plan to cover the entire population of eligible beneficiaries.

*(Paragraph 2.6)*

The coaching centre run under “Coaching and Allied Scheme” which seeks to impart coaching to SC students for improving their performance in the competitive examinations lacked in basic infrastructure facilities, held less number of coaching courses and did not conduct any coaching course during last one year. The reasons for poor attendance resulting in low success rate of the students in the competitive examinations were not investigated.

*(Paragraph 2.7.2)*

There was a consistent decline in expenditure under the “Post Matric Scholarship Scheme” from Rs. 1.03 crore in 2001-02 to just Rs.19.53 lakh in 2005-06. The NCT Government failed to incur its committed liability of Rs.1.03 crore under the scheme during 2002-03 to 2005-06.

*(Paragraph 2.8.1)*

There was a sharp decline in the number of scholarship holders under the “Post Matric Scholarship Scheme” after 2003-04 when the scheme was transferred to the Department for the Welfare of SC/ST/OBC/Minorities from the Department of Education. The income ceiling for eligibility for grant of the scholarships due for revision in October 2004 was yet to be revised.

*(Paragraphs 2.8.2.1 & 2.8.2.2)*



The system of acceptance and rejection of applications under the “Post Matric Scholarship Scheme” lacked transparency. Applications were being rejected without intimating the reasons for rejection to the applicants that could have helped the applicant to remedy the deficiencies in the application and avail of the benefits.

(Paragraph 2.8.2.3)

Sixty one per cent of the total scholarship amount under “Merit Scholarship Scheme” for the year 2005-06 was released in the month of March 2006 after delay of 8-9 months against requirement of issuance within three months after the commencement of the academic session.

(Paragraph 2.10.2.1)

Seven out of 40 schools test checked could not apply under the “Merit Scholarship Scheme” during 2001-02 to 2005-06 due to lack of information while five schools were not allotted the requisite funds by the department during the same period without assigning any reason though the application forms of the eligible students were complete in all respect.

(Paragraph 2.10.2.2)

Under the scheme for providing “Financial assistance for purchase of books and stationery”, the department of education could not furnish any information as to the achievements of the scheme during the years 2001-02 to 2003-04. Test check of 40 selected schools revealed that 40 per cent of these schools did not receive financial assistance during 2004-05 and 2005-06.

(Paragraphs 2.11.2.1 and 2.11.2.3)

#### **Summary of recommendations**

- *Planning and projection of requirements need to be made systematic and be such so as to cover the targeted population within a reasonable time frame.*
- *The department should conduct a review of the budgeting practices as well as implementation of the schemes and ensure that funds sought are backed by assessed requirements and funds allocated are fully utilized for the intended purposes. It should also ensure adequate publicity of the schemes and take pro-active steps to reach the benefits to the intended beneficiaries.*

- *There is an imperative need for closer monitoring of the functioning of the coaching classes run by the private institutes so as to ensure that the funds made available to them were utilized in an effective and efficient manner keeping the objectives in view.*
- *The Government should, wherever applicable, take up the matter of revision of the income ceiling so as to extend the coverage under various schemes. Further, the process of acceptance and rejection of applications for grant of scholarships should be made transparent. Reasons for rejection of applications should be intimated to the applicant and an opportunity afforded to the applicant to remedy deficiencies and fulfill the procedural formalities where possible.*
- *Government should make efforts to extend the benefits of the scheme to the students studying in correspondence courses.*
- *The department should undertake an impact assessment to review the implementation of the schemes and identify causes for downward trend of the beneficiaries particularly under Post Matric Scheme, low success rate under coaching scheme and non establishment of Book banks in all the technical institutes so that corrective action could be taken to achieve the objectives of the schemes.*

## **2.1 Introduction**

The State has a constitutional responsibility of promoting the educational and economic interests of the weaker sections of the society and in particular of the Scheduled Castes (SCs) and Scheduled Tribes (STs). According to the census of 2001, the literacy rate of SCs in the NCT of Delhi was 70.85 per cent which increased to 74.17 per cent as per a sample survey conducted by the Directorate of Economics and Statistics of the Government of Delhi in January-June 2004. While the literacy rate of SCs in Delhi was much higher than the national literacy rate of SCs of 55 per cent, it was behind the literacy rate of the general population of Delhi.

Various educational schemes are implemented by the Union and State governments to enable the SCs/STs to upgrade their educational levels and skills and generate self confidence and self reliance. The objective of these schemes is to increase enrolment and retention of SCs/STs in educational institutions, reduce drop out rates and increase their representation in jobs and higher educational and professional institutions. The Government of Delhi has been implementing three such Centrally Sponsored Schemes (CSS) viz., (i) Coaching and Allied Scheme for weaker sections including SCs, STs, OBCs and Minorities; (ii) Post Matric Scholarships Scheme (PMS); and (iii)

Book Bank Scheme for SC/ ST students.

In addition to the above schemes, Government of NCT of Delhi is implementing eleven schemes of their own for the educational development of SC/ST/OBC/Minorities through the Department for the Welfare of SC/ST/OBC/Minorities (department). The total expenditure incurred on these eleven state schemes was Rs.27.73 crore during the period from 2001-02 to 2005-06.

The Department for the Welfare of SC/ST/OBC/Minorities headed by the Secretary is the nodal department for implementation of the schemes in the National Capital Territory. The Secretary is assisted in the administration of the schemes by two Deputy Directors.

## **2.2 Scope of audit**

The performance audit covered the implementation of three centrally sponsored schemes being implemented by the Government of NCT of Delhi during the period from 2001-02 to 2005-06. The performance audit also covered implementation of six out of the eleven schemes of the Government of Delhi involving expenditure of Rs.26.07 crore viz. 94 per cent of the expenditure on the State schemes during the above period. The state schemes covered are:(i) Merit scholarship to SC/ST/OBC/Minorities (ii) Financial assistance for purchase of books and stationery to SC/ST/OBC/Minorities students (iii) & (iv) Hostel for SC/ST boys at Dilshad Garden and Hostel for SC/ST girls at Dilshad Garden (v) Dr.B.R. Ambedkar State Award for toppers amongst the SC/ST/OBC/Minorities students, and (vi) Reimbursement of Tuition Fee to SC/ST/OBC/Minorities students in Polytechnics.

## **2.3 Audit methodology**

The audit methodology included:

- selection of five out of nine educational districts viz. South district, East district, North district, North West district and South West district, forty schools in the five selected districts and 19 colleges of Delhi University on the basis of statistical sampling. In addition, one college of Guru Gobind Singh Indraprastha University was also selected;
- scrutiny of the records and data of the nodal department, the Directorate of Education, the five educational districts and of the schools and colleges selected for detailed scrutiny;
- inviting comments of the department on the preliminary audit findings along with confirmation of facts and figures; and

- obtaining the views and comments of the administrative department on the audit observations and the proposed audit recommendations.

#### **2.4 Audit objectives**

The objectives of the audit were to verify whether:

- the planning for implementation of the various schemes was efficacious and based on reliable and acceptable data;
- the allocation, release and utilization of funds earmarked for the schemes were judicious, adequate and effective;
- the implementation of the schemes by the Government was efficient and effective;
- the efforts of the Union Government/NCT governments resulted in improving the educational indicators i.e. literacy rates, gross enrolment ratio, gross drop-out rate and gender parity index; and
- the monitoring systems at various levels were functioning effectively.

#### **2.5 Audit criteria**

The criteria used for the performance audit were:

- the availability of definitive data and systematic assessment of requirements for effective planning;
- the extent of utilization of funds with reference to funds budgeted and sanctioned;
- the establishment of infrastructure and affording of facilities envisaged under the various schemes for students from the SC community;
- the improvement in terms of success rates in gaining admission to various courses or recruitment in the services as envisaged in the schemes; and
- the existence of any mechanism for evaluation of the impact of the schemes.

## Audit findings

### 2.6 Planning for implementation of the schemes

Proper planning based on reliable data and a systematic assessment of requirements is a pre-requisite for the successful implementation of any scheme. An appraisal of the planning process in the department revealed as follows:

- No survey had been conducted by the department to ascertain the targeted population for the various central schemes being implemented by the department.
- The requirement of funds was assessed and projected on the basis of actual expenditure incurred in the previous years on the various schemes without any definite plan to cover the target population under central schemes.
- There was little effort to generate awareness of the schemes and maximize its coverage. Advertisements inviting applications under the various schemes were published in six to eight newspapers in a span of one to three days only once in a year though the scheme envisages advertisement through other media also viz. television, radio, etc. At the time of audit, nine out of the 40 schools selected for test check viz. 23 per cent, informed that they had not received grants under the Post Matric Scholarship Scheme on 27 occasions during 2001-02 to 2005-06 as they were not aware of the time schedule of the scheme. Lack of coherent planning and publicity thus resulted in the coverage being inadequate.
- Efficient planning would require continuous monitoring and periodic evaluation of the implementation of the scheme for corrective action. Insofar as the State level schemes were concerned, the department evaluated the implementation of only two schemes i.e. "Merit scholarship to SC/ST/OBC/Minorities" and "Financial assistance for purchase of books and stationery to SC/ST/OBC/Minorities students" through the Department of Social Work of the University of Delhi during the year 2001-02. The study identified various deficiencies and weaknesses in the scheme like 'poor knowledge amongst the recipients, apathy on the part of the parents, populist or target oriented approach thereby missing the real and desired impact, insensitivity of the implementing agencies, untrained or non-professional implementing agencies, lack of clarity of jobs, differing yardsticks and delay in delivery of benefits'.

The Government stated (November 2006) that the department was now planning to obtain the list of schools and colleges and project its requirement of funds on the basis of definitive data from the next financial year. It added

that various measures would be undertaken to publicize and popularize the schemes through the electronic media, websites and circulation of booklet containing all schemes to school/ colleges/ institutions as suggested by audit. Regarding the survey reports of the two state schemes, the Government stated that necessary measures for removal of deficiencies would be undertaken.

### **Recommendation**

*Planning and projection of requirements for various schemes need to be made systematic so that the intended benefits of the scheme effectively reach the targeted population.*

## **Implementation of the schemes**

### **Central Schemes**

#### **2.7 Coaching and Allied Scheme for weaker sections including SCs, STs, OBCs and Minorities**

The scheme aims at providing pre-examination coaching to the students from these communities for improving their representation and standard of performance in the competitive examinations for various posts and services held by the UPSC, State Public Service Commissions, Staff Selection Commissions, Recruitment Boards, Public Sector Undertakings and other central government agencies.

State governments, Union Territories (UTs), Universities and Non Government Organisations (NGOs) are implementing the scheme. Institutions run by the State governments are eligible to receive Central assistance on 50:50 basis. While institutes are given course fee, students are provided stipend by cheque on monthly basis at the rates prescribed from time to time for various approved examinations/courses.

The institutions are required to submit a comprehensive report at the end of the year giving details of success achieved by each student coached by it to the concerned State Government/UT Administration with copy to the Union Ministry of Social Justice and Empowerment by 30<sup>th</sup> April of the next financial year. In addition, utilisation certificates and audited accounts certified by a chartered accountant are to be submitted to the Ministry by 15<sup>th</sup> May of the next financial year.

The Government of Delhi is implementing the scheme through the “Pre Examination Coaching Centre (PECC)” at Karol Bagh that provides pre-examination coaching to students appearing for the subordinate services examinations and through private coaching institutions which impart coaching for entrance examinations for medical and engineering colleges.

### 2.7.1 Budget allocation and utilization of funds

The position of grants received from the Union Ministry of Social Justice & Empowerment for the years 2001-02 to 2005-06 is as under:

| (Rs. in lakh) |   |                              |       |                      |                           |
|---------------|---|------------------------------|-------|----------------------|---------------------------|
| Year          | Opening Balance as on 1 <sup>st</sup> April | Grant received from Ministry | Total | Expenditure Incurred | Closing Balance (Savings) |
| 2001-02       | 3.39  | 1.90                         | 5.29  | 3.44                 | 1.85                      |
| 2002-03       | 1.85  | 10.00                        | 11.85 | 4.19                 | 7.66                      |
| 2003-04       | 7.66  | 0.06                         | 7.72  | 4.18                 | 3.54                      |
| 2004-05       | 3.54  | 5.25                         | 8.79  | 8.75                 | 0.04                      |
| 2005-06       | 0.04  | 10.00                        | 10.04 | 1.31                 | 8.73                      |
| <b>Total</b>  |   | 27.21                        |       | 21.87                |                           |

Based on requirements projected by the department, the Central government released Rs.27.21 lakh during 2001-06 (Rs. 3.39 lakh was also available from the previous years balance) against which only Rs. 21.87 lakh could be spent as of March 2006. There were significant savings of Rs.7.66 lakh (65 per cent) during 2002-03 and Rs.8.73 lakh (87 per cent) during 2005-06. The department could not utilize even the small amounts received from the Government of India under this scheme. Government did not dispute the audit comments in its reply of November 2006.

### 2.7.2 Pre Examination Coaching Centre (PECC), Karol Bagh

Details of coachings imparted by PECC, number of students admitted in various courses and the percentage of successful students during 2001-06 is given in the *Annexure I*. Audit scrutiny revealed as follows:

#### 2.7.2.1 Poor attendance in courses

The PECC conducted 17 courses during the period from 2001-02 to 2005-06 for 1,009 students. Out of these, 704 students (70 per cent) attended less than 75 per cent of the classes. No effort was made to investigate the reasons for such poor attendance.

#### **2.7.2.2 Reduction in the number coaching courses**

Coaching courses for examinations were reduced from five to three during the period 2001-02 to 2005-06 against seven to nine examinations held every year by the Staff Selection Commission for recruitment of Group B and C employees plus other examinations conducted by other recruitment boards. Hence, the SC students enrolled in these courses could not avail of the full range of opportunities available to them during the year.

#### **2.7.2.3 Low success rate**

The coaching institutes/centres are required to achieve a minimum success rate of 33 per cent as per the scheme guidelines. The success rate ranged from nil to only 11 per cent in nine courses and 20 per cent in one course conducted by the PECC. Data relating to candidates in the remaining seven courses were not maintained. The poor success rate coupled with failure to maintain data in respect of 41 per cent of the courses was indicative of the lack of attention being paid to the quality of the teaching being imparted in such institutes.

#### **2.7.2.4 Student information not maintained by institutes**

As per the scheme guidelines, the institutes were required to maintain a full record (bio-data) of each admitted candidate to follow up their progress for coaching and placement. However, no such record was maintained by the institutes.

#### **2.7.2.5 No Coaching classes for one year**

No coaching class for any course was conducted by the PECC for the last one year as of August 2006. The department stated in July 2006 that the classes could not be conducted due to shortage of staff and funds. The reply is not tenable as funds to the tune of Rs.8.73 lakh were available at the end of 2005-06. Further, there had been no reduction in the existing strength of the staff of the Centre during the period in question and an expenditure of Rs.1.39 lakh was incurred on the salary of the staff from Central funds during the period from September 2005 to August 2006.

#### **2.7.2.6 Coaching institutes lack in basic infrastructure**

Basic infrastructure facilities like library, computer, photocopier machines etc. were either not available or not in working condition during the period of audit.



### **2.7.2.7 Unused building**

The Delhi government constructed a building consisting of five blocks at the estimated cost of Rs.2.20 crore at Dilshad Garden in Delhi in 1995. One of the blocks constructed at an estimated cost of Rs.15 lakh meant for imparting pre-examination training to SC candidates was lying unused for over 10 years since 1995. Not using the block for pre examination training purposes for 10 years after having spent Rs.15 lakh on its construction shows poor use of assets created for the scheme of educational development of these deprived categories.

The Government stated (November 2006) that certain fundamental problems like shortage of staff and unrealistic rates for delivering lectures adversely affected the working of the PECC. It added that they were considering opening more centres in Delhi, outsourcing the infrastructure and ensuring that the courses were linked with the calendar of the major recruitment Boards. Government also assured that the vacant premises at Dilshad Garden would be put to use.

### **2.7.3 Private coaching institutes**

Audit scrutiny revealed that two private institutes were engaged by the department in the year 2002-03 and 2004-05 for imparting coaching to students appearing for medical/engineering entrance examinations. Coaching was imparted to 28 and 67 students at a cost of Rs.1.09 lakh and Rs.4.34 lakh respectively. The success rates achieved by the candidates coached for medical entrance examinations could, however, not be furnished by the department and, therefore, the efficacy of the coaching imparted by the private institutes to 95 students at a cost of Rs. 5.43 lakh could not be established in Audit.

Further, no coaching arrangement was made by the department for imparting coaching for medical and engineering tests during 2001-02, 2003-04 and 2005-06 despite availability of sufficient funds. Also, no funds were released by the department during 2004-05 to these institutions for payment of monthly stipend of Rs. 125 to the eligible students who attended 75 per cent or more classes.

Government stated (November 2006) that coaching for the medical and engineering examinations were proposed to be provided in-house during the years 2001-02 and 2003-04 but the proposal was not accepted by the Planning department. Hence, coaching could not be undertaken. Further, coaching could not be imparted during 2005-06 due to late release of funds by the Government of India. The Government added that the audit observations relating to non submission of reports and payment of stipend had been noted for compliance in future.

### **Recommendation**

*There is an imperative need for closer monitoring of the functioning, efficacy and results of the coaching classes run by the private institutes so as to ensure that the objectives of the funds made available to them are achieved.*

## **2.8 Post Matric Scholarships Scheme**

This scheme aims at providing financial assistance to SC/ST students studying at post matriculation levels to enable them to complete their education without economic constraints. The scheme is presently open to all SC/ST students whose parental annual income is less than Rs.1.00 lakh (fixed in October 2002) and the scholarships are awarded by the government of the State where he/she is domiciled. Eligible students are required to submit prescribed applications complete in all respects to the Head of the institution being attended or last attended for onward transmission to the NCT Government. The income ceiling is to be revised once every two years linking it with the consumer price index for industrial workers for the month of October of the year preceding the year of revision and was to be made effective from April. Students pursuing correspondence courses including distance and continuing education are eligible for an annual allowance of Rs.750 for essential and prescribed books besides the reimbursement of course fees.

The State/UT governments receive 100 *per cent* assistance from the Government of India over and above the committed liability of the respective State/UT Government under the scheme. The committed liability is the actual expenditure incurred by the State/UT under the scheme during the terminal year of the IX Five Year Plan.

### **2.8.1 Allocation and utilization of funds**

The committed liability of NCT of Delhi was Rs.1.03 crore per year. The grant received from the Ministry and expenditure incurred by the state Government under the scheme during 2001-06 was as under:

(Rs. in lakh)

| Year    | Committed liability of GNCT of Delhi | Budget allocated by State | Grant received from GOI | Total expenditure incurred on the scheme | Expenditure as Percentage of committed liability | Grant due from GOI |
|---------|--------------------------------------|---------------------------|-------------------------|--|--|--------------------|
| 2001-02 | 102.84                               | 110.00                    | Nil                     | 102.84                                   | 100  | Nil                |
| 2002-03 | 102.84                               | 110.00                    | Nil                     | 85.65                                    | 83.28  | Nil                |
| 2003-04 | 102.84                               | 110.00                    | Nil                     | 87.42                                    | 85.0   | Nil                |
| 2004-05 | 102.84                               | Nil                       | 28.81                   | 28.41                                    | 27.63  | Nil                |
| 2005-06 | 102.84                               | 40.00                     | Nil                     | 19.53                                    | 18.99  | Nil                |

The expenditure incurred by the Government on the scheme consistently declined from Rs. 102.84 lakh in 2001-02 to only Rs. 19.53 lakh in 2005-06. As Government of Delhi failed to incur the committed liability of Rs.1.03 crore during the period from 2002-03 to 2005-06, it could not avail of funds from the Central government. The expenditure as percentage of the committed liability in fact declined sharply during 2005-06.

Further, though the department had not spent its committed liability, yet it received central assistance of Rs.28.81 lakh during 2004-05. This too remained unutilized. The unutilized amount was neither refunded nor was any intimation of excess receipt furnished to the Ministry.

The Government stated (November 2006) that the scheme was transferred from Directorate of Education to the department in the year 2004-05 and no details of the committed liability were made available to the department at the time of the transfer. The reply of the Government indicates lack of effective coordination between its departments responsible for the implementation of the scheme.

## **2.8.2 Deficiencies in the implementation of the scheme**

Audit appraisal revealed the following:

### **2.8.2.1 Sharp decline in scholarships**

The scheme was initially run by the Directorate of Education upto 2003-04. There was a sharp decline in the number of scholarship holders after the year 2003-04 when the scheme was transferred from the Department of Education to the Department of Welfare of SC/ST/OBC/Minorities as shown below:

| Year    | Number of beneficiaries |
|---------|-------------------------|
| 2001-02 | 8919                    |
| 2002-03 | 7793                    |
| 2003-04 | 7955                    |
| 2004-05 | 384                     |
| 2005-06 | 755                     |

### **2.8.2.2 Income ceiling not revised**

The income ceiling was due for revision in October 2004. But it had not been revised as of November 2006. Hence, SC students who might fall within the purview of the scheme after revision of income criteria remained deprived of the benefits of the scheme.

### **2.8.2.3 Lack of transparency in award of scholarships**

The system of acceptance and rejection of applications was not transparent. Test check of 1,362 applications received from students for the years 2004-05 and 2005-06 revealed that the department rejected 223 applications (16 per cent) without intimating the reasons for rejection to the applicants which could have helped him/her to remedy the deficiencies in the application and avail of the benefits. It was also informed by one school that they did not receive scholarship for the students for the year 2004-05 due to non-acceptance of application by the department without assigning any valid reasons although the documents were stated to be complete in all respect. In another case, scholarship forms were sent to the department by the school for the years 2004-05 and 2005-06 but no reasons for not awarding the scholarship were intimated to the school.

### **2.8.2.4 No scholarships to students of correspondence courses**

No scholarship was given to the students studying in school of correspondence. Only one student from Indira Gandhi National Open University was covered during 2004-05 and two students in the year 2005-06.

### **2.8.2.5 Scholarship amounts not disbursed to students**

Out of 20 colleges test checked, scholarship amount of Rs.1.09 lakh was lying un-disbursed with nine colleges. On being pointed out, an amount of Rs.0.27 lakh was refunded by two colleges in August 2006.

The Government stated (November 2006) that they would take up the matter of revision of the income ceiling with the Government of India. It added that reasons for rejection of applications would henceforth be intimated and an opportunity afforded to the students to remove the deficiencies. Steps would also be taken to streamline the disbursement of cheques and the accounting of funds and refund of unutilized balances.

### **Recommendations**

- *The Government should take up the matter of revision of the income ceiling under the scheme. Further, the process of acceptance and rejection of applications for grant of scholarships should be made transparent. Reasons for rejection of applications should be invariably intimated to the applicant and an opportunity afforded to the applicant to remedy deficiencies and fulfill the procedural formalities where possible.*
- *Government should make efforts to extend the benefits of the scheme to the students studying in correspondence courses.*

## 2.9 Book Bank Scheme for SC/ ST students

The scheme is open to all SC/ST students studying medical, engineering, agriculture, veterinary, polytechnics, law, chartered accountancy, business management and bio-sciences who have been receiving post-matric scholarships. The scheme seeks to provide them access to the latest books and to reduce their drop out ratio from such courses. The purchase of books for the Book Bank is restricted to prescribed textbooks only. One set of books is purchased for two students of all professional courses except in respect of post-graduate courses and chartered accountancy where one set is purchased for each student. The scheme was merged with the Post Matric Scholarship Scheme w.e.f. 2003-04 and students who received post matric scholarships were also eligible for the Book Bank scheme.

Audit examination of the implementation of the scheme disclosed the following:

### 2.9.1 State share not released

Central assistance is provided to the State Government on 50:50 basis. The grant received from the Central Government for book bank scheme during last five years was as under:

(Figures in Rupees)

| Year    | Funds received from Ministry  | Fund contributed by State | Expenditure Incurred | Balance |
|---------|---|---------------------------|----------------------|---------|
| 2001-02 | 12,00,000   | Nil                       | 12,00,000            | Nil     |
| 2002-03 | 12,00,000   | Nil                       | 12,00,000            | Nil     |
| 2003-04 | Merged with Post Matric Scholarship Scheme but no expenditure was incurred. |                           |                      |         |
| 2004-05 |   |                           |                      |         |
| 2005-06 |   |                           |                      |         |

Government of Delhi had not contributed its share in this scheme resulting in excess acceptance of funds of Rs.12 lakh from Government of India during 2001-03.

The Government accepted the audit observation (November 2006).

### 2.9.2 Other deficiencies in scheme implementation

Grant amounting to Rs.12 lakh was released to six colleges during the years 2001-02 and 2002-03. Audit scrutiny revealed the following:

#### 2.9.2.1 Polytechnics not provided funds for Book bank

The scheme stipulates that book banks should be set-up in all medical, engineering, agricultural, law and veterinary degree colleges and polytechnics where SC students are in receipt of post matric scholarships. However, no

funds were released to eight polytechnics and two medical colleges although post matric scholarships were released to those institutes during the years of 2001-02 and 2002-03.

### 2.9.2.2 Delay in purchase of books for Book bank

There were significant delays in purchase of books after receipt of funds from the Government of India. Funds released by Government of India at the fag end of the financial year (March 2002 and March 2003) to the Mahila Institute of Technology (Indira Gandhi Institute of Technology) could be utilized by the institute in the month of March of the subsequent year after delay of about 11-12 months thereby depriving the students of the benefit of the utilization of books for approximately one year as shown in the table below:

| For the Year | Amount   | Date of Sanction issued by Govt. of India | Date of Sanction issued by Govt. of NCT of Delhi | Month of purchase of books |
|--------------|----------|---|--|----------------------------|
| 2001-02      | 3,47,500 | 22 March 2002                             | 16 May 2002                                      | Feb.- March 2003           |
| 2002-03      | 2,52,000 | 28 March 2003                             | 18 July 2003                                     | Feb.- March 2004           |

Further, of the total grant of Rs.7.59 lakh received by the Institute during 2000-03, 16 per cent (Rs.1.24 lakh) was utilized for purchase of books for 116 SC/ST students. The remaining 84 per cent of the grant (Rs.6.35 lakh), which was in excess of the actual requirement, was utilized for other purposes instead of being surrendered.

Government stated (November 2006) that the department would check the implementation of the scheme and take steps to provide sufficient books.

## State Schemes

### 2.10 Merit scholarship to SC/ST/OBC/Minorities students

The objective of the scheme is to promote talent among the SC/ST/OBC/Minorities students by enabling them to face competitions by providing them financial incentives in the form of merit scholarships. The scheme is implemented at three levels viz. Class VI to VIII, Class IX to XII and at college level. School students who had obtained 55 per cent and above marks in the previous annual examination and students of college and professional institutes who had obtained 60 per cent or more marks in the Senior Secondary examination (for SC/ST students) and 70 per cent and above marks in case of OBC/ Minority students were eligible for grant of the scholarships. The scheme was implemented by the Directorate of Education

up to 2002-03 and thereafter transferred to the Department for the Welfare of SC/ST/OBC/Minorities.

### 2.10.1 Allocation and utilization of funds

The year-wise position of budget allocation and expenditure under the scheme during 2001-02 to 2005-06 was as under:

(Figures in lakh)

| Year    | Budget allotted | Expenditure incurred | Savings | Percentage of saving |
|---------|-----------------|----------------------|---------|----------------------|
| 2001-02 | 95.00*          | 95.00*               | Nil     | Nil                  |
| 2002-03 | 150.00          | 71.89                | 78.11   | 52                   |
| 2003-04 | 119.00          | 111.55               | 7.45    | 6                    |
| 2004-05 | 129.00          | 114.83               | 14.17   | 11                   |
| 2005-06 | 219.00          | 211.80               | 7.20    | 3                    |

\* Figures for the classes VI to VIII for 2001-02 were not provided, hence not included.

There were significant savings during 2002-03 but subsequent trends in expenditure indicated consistent improvement in utilization of funds under the scheme during last three years (2003-06). It was however observed that the department did not have any data as to the number of students who had achieved the required percentage of marks to be eligible for the scholarships in the previous years and consequently the budget was being formulated without a realistic or systematic assessment of requirement of funds.

Government stated (November 2006) that necessary steps have now been taken to reduce the savings.

### 2.10.2 Deficiencies in implementation of the scheme

Audit examination revealed the following:

#### 2.10.2.1 Delay in release of funds

The scheme stipulates that the amount of the scholarship is to be disbursed within three months after the commencement of academic session (classes VI to VIII) and after declaration of annual exam results in case of classes IX to XII and colleges. However, scholarship amounts of Rs.1.30 crore out of Rs.2.12 crore i.e. 61 per cent for the year 2005-06 was released in the month of March 2006 after a delay of 8-9 months.

#### 2.10.2.2 Eligible students deprived of merit scholarship

Out of 40 schools test checked by Audit, seven schools (18 per cent) informed that they could not apply under the scheme during 2001-06 due to lack of information about the scheme. Five schools (13 per cent) intimated that they

were not allotted funds by the department during 2001-06 without assigning any reason though the application forms of the eligible students were complete in all respects. Consequently, the eligible students were deprived of the benefits of the scheme.

#### ***2.10.2.3 Delay in payment***

During 2004-05, 157 cheques amounting to Rs.8.68 lakh were cancelled and had to be re-validated due to (i) late receipt of cheques, (ii) cheques date already expired, and (iii) typing mistake in the cheques which is indicative of lack of seriousness on the part of the individuals dealing with the scheme.

#### ***2.10.2.4 Improper rejection of applications***

The Citizens Charter of the department stipulates that if financial assistance cannot be provided to an applicant due to ineligibility or any other reason, he/she will be duly informed of the decision within a month. However, 819 out of 35,045 applications for the year 2004-05 and 2005-06 were rejected without assigning any reasons to the institutes/students. Audit further revealed that out of 52 applications of college level for the year 2005-06, 14 applications (27 per cent) were rejected only for the reasons that there was a gap of two years in the study of the students or that the caste certificate was attached for the father and mother instead of the student.

Government stated (November 2006) that steps had now been taken to popularize the scheme and to streamline to sanction and disbursement of the scholarships. Further, the income ceiling was also proposed to be enhanced from Rs.48,000/- to Rs.1 lakh per annum.

#### ***Recommendation***

*Department should take pro active steps to obtain applications as well as pursue the matter of revision of the income ceiling so as to extend the coverage of the scheme. Further, applications need to be handled in a more transparent and careful manner keeping in view the objectives of the scheme and the interests of eligible applicants.*

### **2.11 Financial assistance for purchase of books and stationery to SC/ST/OBC/Minorities students**

Under this scheme introduced in 1985-86, financial assistance for purchase of books and stationery is extended to those SC/ST/OBC/Minorities students who are studying in schools of the Central Government, Government of Delhi, Aided, Recognized or Local Bodies and whose family income does not exceed



Rs.48,000/- per annum. The students should also have not less than 70 *per cent* attendance in the preceding academic year. Financial assistance is also extended to OBC and Minorities w.e.f. 2002-03. A ratio of 5:3:2 among SC/ST, OBC and Minorities is to be maintained. The amount of the financial assistance is provided to the schools in advance before the commencement of the academic session so that eligible students may utilize it for the purchase of books and stationery in the beginning of academic year. The scheme was implemented by the Directorate of Education up to 2003-04 and thereafter by the Department for the Welfare of SC/ST/OBC/Minorities.

### 2.11.1 Allocation and utilization of funds

The year-wise position of budget allocation and expenditure during 2001-02 to 2005-06 was as under:

(Figures in lakh)

| Year    | Budget allotted | Expenditure incurred | Savings | Percentage of saving |
|---------|-----------------|----------------------|---------|----------------------|
| 2001-02 | 200.00          | 200.00               | -       | -                    |
| 2002-03 | 400.00          | 400.00               | -       | -                    |
| 2003-04 | 480.00          | 437.85               | 42.15   | 9                    |
| 2004-05 | 480.00          | 232.52               | 247.48  | 52                   |
| 2005-06 | 470.50          | 469.59               | 0.91    | -                    |

Audit scrutiny revealed the following:

- There were savings to the extent of 52 *per cent* during 2004-05. The department stated (October 2006) that the saving was due to "First time direct dealing with the schools". The reply is not tenable as the scheme was being implemented by the Government since 1985-86 and the Department should have properly coordinated with the Directorate of Education who was earlier responsible for the implementation of the scheme.
- While utilization certificates (UCs) for the year 2001-02 and 2003-04 were not received from the Directorate of Education, only some schools furnished the UCs for the years 2004-05 and 2005-06. Consequently, the exact position of amounts actually spent by schools against financial assistance received during these years could not be ascertained in audit.

The Government stated (November 2006) that all schools would be instructed to submit UCs at the earliest.

### 2.11.2 Shortcomings in implementation

Audit appraisal revealed shortfalls in achievement of targets and other deficiencies as discussed below:

### 2.11.2.1 Non-achievement of targets

The physical targets fixed and the achievements for the year 2001-02 to 2005-06 and achievement against thereof is as under:

| Year    | Physical target | Achievements |
|---------|-----------------|--------------|
| 2001-02 | 44500           | Awaited      |
| 2002-03 | 74000           | Awaited      |
| 2003-04 | 74000           | Awaited      |
| 2004-05 | 74000           | 49361        |
| 2005-06 | 74000           | 88313        |

The department of education could not furnish any data on the achievements of targets during the years 2001-02 to 2003-04. Hence, it was in no position to ascertain the efficacy of the scheme though expenditure Rs.10.38 crore was incurred on the scheme during this period. Further, while the target for 2005-06 was fully met, there was a shortfall in achievement of 33 per cent during 2004-05.

### 2.11.2.2 Delay in disbursements

An amount of Rs.20.40 lakh was released through 82 cheques prepared in March 2005 for the year 2004-05 but these had to be returned to the department for re-validation due to (i) cheques received one day before or after the validity period, and (ii) typing errors in cheques. The cheques were re-issued in the month of July 2005.

### 2.11.2.3 Non-receipt of funds by schools

Test check of 40 selected schools revealed that 16 schools (40 per cent) did not receive financial assistance during 2004-05 and 2005-06. Audit further revealed that five schools were deprived of the benefit of the financial assistance during the period covered under audit on 13 occasions due to non-receipt of information about the scheme.

Government stated (November 2006) that steps were being taken to give greater publicity to the scheme and to remove the deficiencies.

## 2.12 Hostels for SC/ST boys and girls at Dilshad Garden

With a view to providing congenial study environment for SC/ST students of Delhi, the Government of Delhi constructed two hostels at Dilshad Garden for boys and girls separately in December 1994 at an estimated cost of Rs.2.20 crore. Students with family income not exceeding Rs.4,000 per month were

eligible for admission. The benefit was extended to the students of OBC w.e.f. 1999-2000.

### 2.12.1 Budget allocation and expenditure

The year wise position of budget allocation and expenditure for boys and girls hostels at Dilshad Garden during 2001-02 to 2005-06 was as under:

(Figures in lakh)

| Year    | Boys Hostel     |             |        |                      | Girls Hostel    |             |        |                      |
|---------|-----------------|-------------|--------|----------------------|-----------------|-------------|--------|----------------------|
|         | Budget Allotted | Expenditure | Saving | Percentage of saving | Budget Allotted | Expenditure | Saving | Percentage of saving |
| 2001-02 | 37.00           | 30.38       | 6.62   | 17.89                | 8.50            | 8.27        | 0.23   | 2.71                 |
| 2002-03 | 32.00           | 30.07       | 1.93   | 6.03                 | 8.00            | 5.74        | 2.26   | 28.25                |
| 2003-04 | 31.00           | 30.68       | 0.32   | 1.03                 | 5.50            | 5.46        | 0.04   | 0.72                 |
| 2004-05 | 44.00           | 35.28       | 8.72   | 19.82                | 7.50            | 3.66        | 3.84   | 51.20                |
| 2005-06 | 44.00           | 36.10       | 7.90   | 17.95                | 6.00            | 4.68        | 1.32   | 22.00                |

There were substantial savings ranging from 18 to 20 per cent in the boys hostel during 2001-02, 2004-05, 2005-06 and from 22 to 51 per cent in the girls hostel in the years 2002-03, 2004-05 and 2005-06.

The Government stated (November 2006) that there was a general practice of preparing budgets on the higher side taking into consideration rise in prices, admission of inmates and to meet miscellaneous expenditure. It added that that the savings during 2003-04 and 2004-05 were due to non materialization of purchase proposals of generator set and geysers in both the hostels. The reply of the department indicates that it did not follow basic budgetary norms to project requirements on a more realistic basis.

### 2.12.2 Insignificant utilization of hostel facilities by Delhi students

The position of the SC boys and girls of Delhi who utilized the facility of hostel during 2001-06 was as under:

| Year         | Boys Hostel                  |                                  |                            | Girls Hostel                 |                                  |                            |
|--------------|------------------------------|----------------------------------|----------------------------|------------------------------|----------------------------------|----------------------------|
|              | Total Accommodation allotted | Students from Delhi (Percentage) | Students from out of Delhi | Total Accommodation allotted | Students from Delhi (Percentage) | Students from out of Delhi |
| 2001-02      | 99                           | 6 (6)                            | 93                         | 38                           | Nil (0)                          | 38                         |
| 2002-03      | 104                          | 3 (3)                            | 101                        | 44                           | Nil (0)                          | 44                         |
| 2003-04      | 102                          | 6 (6)                            | 96                         | 33                           | Nil (0)                          | 33                         |
| 2004-05      | 102                          | 6 (6)                            | 96                         | 32                           | 2 (6)                            | 30                         |
| 2005-06      | 96                           | 5 (5)                            | 91                         | 28                           | 2 (7)                            | 26                         |
| <b>Total</b> | <b>503</b>                   | <b>26 (5)</b>                    |                            | <b>175</b>                   | <b>4 (2)</b>                     |                            |

The overall percentage of boys and girls students from the NCT of Delhi who availed of the hostel facilities during last five years was five per cent and two

per cent respectively. Hence, the intended objective of providing a facility meant primarily for students from the weaker sections of society in Delhi not having adequate space was not fully achieved.

Accepting the audit observation, Government stated (November 2006) that the existing income criteria of admission of students would be reviewed and measure taken to give greater publicity to this available facility in all colleges/institutions.

### 2.13 Dr. B.R. Ambedkar State Award for the toppers amongst the SC/ST/OBC/Minorities students

The scheme aims at encouraging the students to top the list of examinees of their final year examinations. Awards are given to students belonging to SC/ST/OBC/Minorities studying in various professional/technical degree courses in 14 specified institutions run by the Government of Delhi who top the list of examinees of their final year exams. An amount of Rs.6,000/- is given as award to each topper which was enhanced to Rs.7,000 w.e.f. 2003.

#### 2.13.1 Declining expenditure and the number of awardees

The year wise position of budget allocation and expenditure during 2001-02 to 2005-06 was as given in the table below:

(Figures in lakh)

| Year    | Budget allotted | Expenditure incurred | Savings (percentage) | Physical Target | Number of students awarded |
|---------|-----------------|----------------------|----------------------|-----------------|----------------------------|
| 2001-02 | 3.00            | 1.38                 | 1.62 (54)            | 50              | 23                         |
| 2002-03 | 6.00            | 1.44                 | 4.56 (76)            | 100             | 24                         |
| 2003-04 | 1.00            | 1.00                 | Nil (-)              | 100             | 21                         |
| 2004-05 | 2.00            | 0.28                 | 1.72 (86)            | 40              | 4                          |
| 2005-06 | 0.50            | 0.42                 | 0.08 (-)             | 40              | 6                          |

Audit examination disclosed the following:

- There was a sharp decline in the budget allotment and expenditure on the scheme during the last five years and there were significant savings in the years 2001-02, 2002-03 and 2004-05.
- Though there were 14 institutions each of whom were running more than one course, the number of awards reduced from 24 in 2002-03 to just six in 2005-06.

- No steps were taken by the department to collect the details of potential awardees from each institution. Consequently, awards were given to students of three institutes (21 *per cent*) in 2004-05 and five institutes (36 *per cent*) in 2005-06 out of the 14 specified institutes.

The Government stated (November 2006) that the department had now requested all the institutes to publicize the scheme amongst all concerned and that it should be made a part of the prospectus of the institution. The department was also planning to publicize the scheme through the media as well as include other institutions so as to widen the scope of the award.

## 2.14 Reimbursement of Tuition Fee to SC/ST/OBC/Minorities students in Polytechnics

The scheme is implemented by the Department of Training and Technical Education and aims at providing financial assistance to students studying in polytechnics so as to enable them to derive the maximum benefit of such job oriented education and help the individual to become self employed. SC/ST students studying in Polytechnics are exempt from the payment of tuition fee that is reimbursed to the institutes by the department.

### 2.14.1 Allocation and utilization of funds

The year-wise position of budget allocation and expenditure during 2001-02 to 2005-06 was as under:

(Figures in lakh)

| Year    | Budget Estimates | Revised estimate | Expenditure incurred | Savings |
|---------|------------------|------------------|----------------------|---------|
| 2001-02 | 12.00            | 12.00            | 9.36                 | 2.64    |
| 2002-03 | 25.00            | 25.00            | 25.00                | Nil     |
| 2003-04 | 30.00            | Nil              | Nil                  | Nil     |
| 2004-05 | 30.00            | Nil              | Nil                  | Nil     |
| 2005-06 | 30.00            | Nil              | Nil                  | Nil     |

As could be seen, the department failed to incur any expenditure on the implementation of the scheme from 2003-04 onwards though funds were provided in the budget estimates. The Department of Training & Technical Education, the implementing agency, stated (October 2006) that no proposal for reimbursement of fee of SC/ST/OBC/Minorities has been received from polytechnics since 2003-04.

### 2.14.2 Shortfalls and flaws in implementation

Audit examination disclosed the following:

### 2.14.2.1 No reimbursements for last three years

The physical targets set by the department for the year 2001-06 was as under:

| Year         | Physical Target |      |            |       | Number of actual beneficiaries |     |            |       |
|--------------|-----------------|------|------------|-------|--------------------------------|-----|------------|-------|
|              | SC/ST           | OBC  | Minorities | Total | SC/S                           | OBC | Minorities | Total |
| 2001-02      | 1500            | NA   | NA         | 1500  | 1277                           | Nil | Nil        | 1277  |
| 2002-03      | 1560            | 940  | 625        | 3125  | 1560                           | Nil | Nil        | 1560  |
| 2003-04      | 1560            | 940  | 625        | 3125  | Nil                            | Nil | Nil        | Nil   |
| 2004-05      | 1560            | 940  | 625        | 3125  | Nil                            | Nil | Nil        | Nil   |
| 2005-06      | 1560            | 940  | 625        | 3125  | Nil                            | Nil | Nil        | Nil   |
| <b>Total</b> | 7740            | 3760 | 2500       | 1400  | 2837                           | Nil | Nil        | 2837  |

Against the target of providing reimbursement of tuition fee to 7,740 SC/ST students during last five years, only 2,837 students (37 per cent) of these categories actually received reimbursements up to 2002-03. No reimbursements were provided to any student of SC/ST category during last three years despite a target of providing reimbursement of tuition fee to 1,560 students each year.

### 2.14.2.2 Non coverage of other categories

Further, though the benefit of the scheme had been extended to the students belonging to OBC and Minorities from the year 2002-03, no student belonging to OBC or Minorities had availed of reimbursement of tuition fee under the scheme till 2005-06.

### 2.14.2.3 Overlapping of schemes

Audit scrutiny further revealed that students studying in polytechnics were granted the scholarship under the centrally sponsored Post Matric Scheme that included reimbursement of tuition fee. As the reimbursement of the tuition fee is already covered under Post Matric scheme, the continuance of two overlapping schemes lacked justification.

The Government stated (November 2006) that the department was planning to drop this scheme from the next five years plan.

### Recommendation

*The department should conduct a review of the budgeting practices as well as implementation of the schemes and ensure that funds sought are backed by*

*assessed requirements and funds allocated are fully utilized for the intended purposes. It should also ensure adequate publicity of the schemes and take proactive steps to reach the benefits to the intended beneficiaries.*

### **2.15 Monitoring and evaluation systems**

The department did not have any established mechanism to monitor implementation of the centrally sponsored schemes as well as the state schemes. The department did not submit any report/returns in respect of Post Matric Scheme and Book Bank Scheme to the Central Ministry. In Coaching and Allied Scheme, reports pertaining to only three years viz. 2001-02 to 2003-04 were submitted to the Ministry. The basic data relating to educational indicators like 'Drop out rate', 'Gross enrolment ratio' and 'Gender parity index' for SC/ ST population were not available with the department. In the absence of the above, it is difficult to assess as to whether the objectives of the above centrally sponsored Schemes and state schemes were being achieved.

The department did not have an internal control mechanism nor was the department subjected to any internal audit of the Directorate of Internal Audit of the Finance department of Government of NCT of Delhi. The Government noted (November 2006) the audit observations.

#### **Recommendations**

- *The department should undertake an impact assessment to review the effectiveness of the schemes and identify causes for declining trend of the beneficiaries particularly under Post Matric Scheme, less success rate under coaching scheme and non establishment of Book banks in all the technical institutes so that corrective action could be taken to achieve the objectives of the schemes.*
- *Department may also consider introducing a single window system to extend necessary support and financial assistance to SC/ST students for better monitoring, more effective implementation and faster dissemination of information on the schemes to various implementing agencies and beneficiaries.*

### **2.16 Conclusion**

Various central and state schemes for the educational development of SC/ST students were being implemented in Delhi in an uncoordinated and unplanned manner. No evaluation of the schemes had been carried out to ascertain causes for low performance despite significant downward trends in the number of SC/ST students benefited under various schemes. The Department did not have any reliable data on targeted beneficiaries nor did it assess the impact of

these schemes in terms of educational development and achievement of objectives. There was no effective monitoring at any level and many of the implementing departments and schools were not aware of the basic provisions or existence of some of the schemes.

### **2.17 Acknowledgement**

The draft performance audit report was referred to the Government in October 2006 and discussed at a meeting held in November 2006 with the Secretary for the Welfare of SCs/STs. The views expressed at the meeting and comments subsequently received from the Government November 2006 have been incorporated in the review.



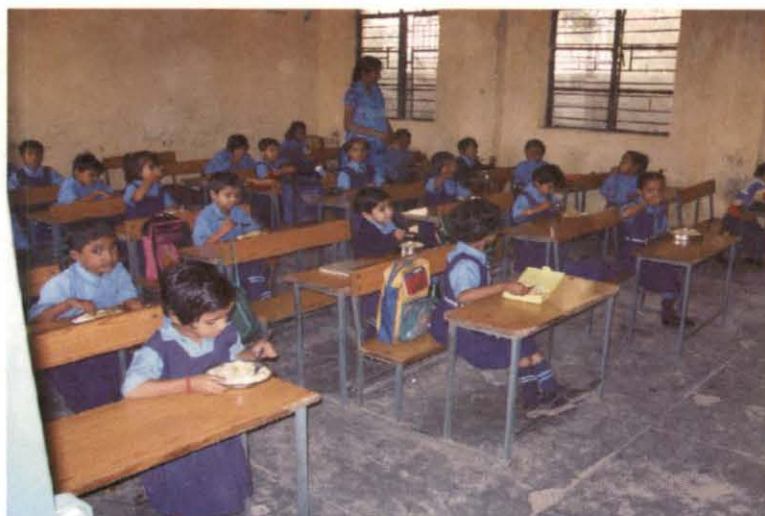
**ANNEXURE-I**  
**(Referred to in paragraph 2.7.2)**

| Year         | Coaching conducted for                               | Periodicity of course               | Number of Student | Number of students attended less than 75 per cent classes | Percentage of students attended less than 75 per cent classes | Number of successful candidates | Percentage of successful candidates |
|--------------|--|-------------------------------------|-------------------|---|---|---------------------------------|-------------------------------------|
| 2001-02      | Section Officer (Audit) Examination                  | 12-7-01 to 7-9-01                   | 32                | 26  | 81.25   | Nil                             | Nil                                 |
|              | SSC Matric Level (Main) Examination                  | 2-11-01 to 18-1-02                  | 37                | 35  | 94.59   | 1                               | 2.70                                |
|              | SSC Matric Level (Pre) Examination                   | 25-2-02 to 20-7-02                  | 91                | 75  | 82.42   | 5                               | 5.49                                |
|              | Bank Probationary Officers Examination               | 25-3-02 to 20-7-02                  | 42                | 40  | 95.24   | Nil                             | Nil                                 |
|              | SSC Graduate Level (Pre) Examination                 | Records/ information not maintained |                   |   |   |                                 |                                     |
| 2002-03      | Combined (Main) Matric Level                         | 22-10-02 to 19-12-02                | 19                | 18  | 94.74   | 2                               | 10.53                               |
|              | Combined (Main) Graduate Level                       | 28-10-02 to 7-2-03                  | 20                | 16  | 80.00   | 4                               | 20                                  |
|              | Bank Probationary Officers Examination               | 17-2-03 to 9-5-03                   | 8                 | 7   | 87.50   | Nil                             | Nil                                 |
|              | Combined Graduate Level (Pre)                        | 10-3-03 to 9-5-03                   | 47                | 25  | 53.19   | 1                               | 2.12                                |
| 2003-04      | Combined (Main) Graduate Level                       | 4-8-03 to 20-9-03                   | 30                | 21  | 70.00   | 3                               | 10.00                               |
|              | Combined Graduate Level (Pre)                        | 8-12-03 to 29-1-04                  | 84                | 59  | 70.24   | 9                               | 10.71                               |
| 2004-05      | Stenographer Grade 'D' Matric Level Exam.            | 18-8-04 to 10-10-04                 | 118               | 63  | 53.39   | *Not maintained                 |                                     |
|              | CPO Exam Graduate Level                              | 9-8-04 to 4-9-04                    | 56                | 43  | 76.79   | *Not maintained                 |                                     |
|              | Tax Assistant Exam, Graduate level                   | 19-10-04 to 5-12-04                 | 144               | 89  | 61.81   | *Not maintained                 |                                     |
| 2005-06      | Section Officer (Audit) Examination                  | 12-4-05 to 31-5-05                  | 125               | 58  | 46.40   | *Not maintained                 |                                     |
|              | Central Police Organisation Exam                     | 1-5-05 to 25-6-05                   | 8                 | 3   | 37.50   | *Not maintained                 |                                     |
|              | Stenographer/ LDC Matric Level meant for SC/ ST only | 27-7-05 to 26-8-05                  | 148               | 126   | 85.14   | *Not maintained                 |                                     |
| <b>TOTAL</b> |  |                                     | <b>1009</b>       | <b>704</b>  |   |                                 |                                     |

\* Data regarding number of successful students was not available with the department.

### Chapter III

#### Performance Audit of Implementation of Mid Day Meal Scheme in Delhi



Primary education in the NCT of Delhi is imparted through 2,424 primary schools run by the Government of Delhi, the Municipal Corporation of Delhi (MCD) and the New Delhi Municipal Council (NDMC). On 15 August 1995, the Union Ministry of Human Resources Development launched the National Programme of Nutritional Support to Primary Education (commonly known as the Mid Day Meal Scheme) as a centrally sponsored scheme for children of primary stage (classes I to V) in government, local body and government-aided schools. A performance audit of the implementation of the scheme in Delhi covering the period from 2001-02 to 2005-06 revealed *inter alia* the following:

#### Highlights

**The implementation of the scheme lacked the necessary co-ordination and overall perspective that contributed to delays in assessing requirements of foodgrains, differences in quantities of cooked meals provided to children and lack of uniformity in implementing the scheme by the NCT Government, MCD and NDMC.**

(Paragraph 3.6.1.2)

Nearly 74,000 children enrolled in Education Guarantee Scheme/Alternative and Innovative Education centres were yet to be benefited by the scheme in Delhi. However, the requirement of foodgrains projected by the nodal department included foodgrains required for these children.

*(Paragraph 3.6.1.3)*

While MCD was largely able to utilize the funds allocated for the scheme, there were huge savings ranging from 15 to 99 *per cent* in respect of the Directorate of Education and NDMC that was indicative of either inadequate assessment of requirements or poor implementation.

*(Paragraph 3.7.1)*

Plan funds of Rs. 2.90 crore were diverted for establishment expenditure/administrative charges (non-Plan) in blatant disregard of the terms of the sanction, the General Financial Rules and the specific recommendations of the Public Accounts Committee against any diversion of scheme funds.

*(Paragraph 3.7.2)*

There was shortfall of 50 *per cent* in lifting of foodgrains during the period 2001-06 which was again indicative of poor planning and monitoring of the scheme. No inspection was carried out to ensure the quality of foodgrains supplied by the Food Corporation of India.

*(Paragraphs 3. 8.1 & 3.8.2)*

The nodal department failed to take necessary steps to ensure the quality of the meals supplied to the schools by the NGOs/contractors engaged for the purpose in terms of calorie and protein content. None of the 40 NGOs/caterers had a license from the Health department as required under the mandatory provisions of the Delhi Municipal Corporation Act.

*(Paragraphs 3.9.3 & 3.9.5)*

Forty four *per cent* of the schools test checked in audit did not ensure supply of the requisite quantity of the meals from the suppliers. Test check in audit revealed short supply in a significant number of schools. There thus remained every possibility of over-payment to the contractors and denial of the prescribed quantity to the children.

*(Paragraph 3.9.4)*

**The meals were not being brought in sealed containers that left open the possibility of contamination, adulteration or pilferage during transportation of the meals. The kitchens of the suppliers were not inspected to check their adherence to hygiene and health standards.**

*(Paragraphs 3.9.6 & 3.9.7)*

**There was no significant or discernible improvement in either nutritional levels or of the levels of enrolment, attendance and retention levels in the schools covered under the scheme.**

*(Paragraphs 3.10, 3.12.1 & 3.12.2)*

**Monitoring mechanisms envisaged in the scheme guidelines were yet to be established. The nodal department had also not carried out any impact assessment to ascertain the reasons for non-achievement of the primary objectives of the scheme and to identify remedial measures that could be adopted to improve implementation.**

*(Paragraphs 3.11.1 & 3.13)*

#### ***Summary of recommendations***

- *The Directorate of Education should conduct an annual review of the implementation of the scheme and include the children enrolled in the EGS/AIE centres as envisaged in the scheme guidelines. It should also ensure the co-ordinated and uniform implementation of the scheme by all the three agencies involved.*
- *The Government should take vigorous steps to ensure that the suppliers engaged by the implementing agencies conform to the stipulated standards of hygiene, health and calorie and protein content through licensing under the Delhi Municipal Corporation Act and strict adherence to the scheme guidelines. Action should be initiated against those suppliers who fail to conform to these standards.*
- *Steps should be initiated to ensure supply of meals on all school days in a academic year as envisaged in the scheme guidelines.*
- *There should be regular inspection of the kitchens of the suppliers and testing of the food before they are served to the children. Severe penalties should be imposed in case any food is found to endanger health and well being of the children.*
- *There is an imperative need to establish/strengthen monitoring and inspections mechanism at all levels as envisaged in scheme guidelines and as suggested by the PAC as early as in September 2001.*

- *The nodal department should undertake an impact assessment to review the implementation of the scheme and identify causes for lack of improvement in enrolment, attendance and retention levels so as to enable corrective action where necessary to achieve the objectives of the scheme.*

### **3.1 Introduction**

Primary education is imparted in the NCT of Delhi through 2,424 primary schools run by the Government of Delhi, the Municipal Corporation of Delhi (MCD) and the New Delhi Municipal Council (NDMC). A mid day meal programme was initially being implemented in all the schools run by the NDMC from 1971-72 and in those of the MCD from around 1984-85. On 15 August 1995, the Union Ministry of Human Resources Development launched the National Programme of Nutritional Support to Primary Education (commonly known as the Mid Day Meal Scheme) as a centrally sponsored scheme for children of primary stage (class I to V) in government, local body and government-aided schools. In October 2002, it was extended to cover children studying in Education Guarantee Scheme (EGS) and Alternative & Innovative Education (AIE) centres also. The objective of the scheme was to boost universalisation of primary education by increasing enrolment, retention and attendance and simultaneously impacting on nutrition of students in primary classes.

Under the scheme, central assistance was provided to States by way of free supply of foodgrains and subsidy for transport of the foodgrains. The scheme was implemented through local bodies like panchayats and nagar palikas who were to organize the provision of cooked/pre-cooked food by the schools having a calorific value equivalent to 100 gms of wheat/rice per student per day. Institutional arrangements for providing such cooked/pre-cooked meals were to be developed by the local bodies within two years from the date of commencement of the programme. In the interim period, foodgrains at the rate of 3 kgs per student per month was to be distributed to all the children subject to a minimum attendance of 80 *per cent*.

In November 2001, the Supreme Court directed all governments to provide every child in every government and government assisted primary schools with a prepared mid day meal with a minimum content of 300 calories and 8-12 gms of protein each day of school for a minimum of 200 days. Consequently in December 2004, the Union Ministry issued revised guidelines, providing for cooked meals with minimum of 300 calories and 8-12 gram of protein content to all children. The objectives of the revised scheme are:

- (i) to boost universalisation of primary education by improving enrolment, attendance, retention, and learning levels of children, especially those belonging to disadvantaged sections;
- (ii) to improve nutritional status of students of primary stage; and
- (iii) to provide nutritional support to students of primary stage in drought-affected areas and during summer vacations.

The overall responsibility for implementation of the programme in the NCT of Delhi vests in the Department of Education, Government of Delhi, headed by the Secretary (Education). The Directorate of Education of the Government of Delhi is implementing the scheme in the government schools while the Directors of Education in MCD and NDMC are responsible for implementation of the scheme in the schools under the municipal bodies.

### **3.2 Scope of audit**

The performance audit was conducted between June-September 2006 and covered the implementation of the Mid Day Meal Scheme in Delhi during the period from 2001-02 to 2005-06 by the Directorate of Education, Government of Delhi, and by the Municipal Corporation of Delhi and New Delhi Municipal Council. Of the total expenditure of Rs. 116.28 crore on the scheme during last five years period (2001-06), test check of expenditure of Rs.14.52 crore was conducted during the review.

### **3.3 Audit objectives**

The main objectives of the performance audit were:

- to assess whether the scheme was being implemented in a planned manner so as to cover all the eligible primary level school children;
- to assess whether the funds allocated were being fully utilized in an economic and efficient manner in consonance with the objectives of the scheme;
- to assess whether the procurement and utilization of foodgrains was being done in an efficient manner;
- to assess whether all eligible children studying in primary schools were covered in an effective manner in terms of the quantities and calorific and nutritional levels prescribed in the scheme guidelines;
- to assess whether the implementation of the scheme was being effectively monitored;

- to assess the impact of the scheme in terms of improved attendance and retention levels; and
- to assess whether the previous recommendations of the Public Accounts Committee (PAC) on the scheme were fully implemented.

### **3.4 Audit criteria**

The audit criteria adopted were the detailed guidelines of the scheme which specified the norms/benchmarks in terms of:

- the institutional structures and mechanisms that were to be established for implementation and monitoring of the scheme;
- the implementation of the scheme in terms of number of students covered and short fall in coverage;
- the quality of foodgrains to be supplied for preparation of the meals in terms of their calorific and protein content and quantities;
- the time for which the meals were to be provided;
- the expected improvement in enrolment, attendance and retention levels; and
- the expected improvement in nutritional levels.

### **3.5 Audit methodology**

The audit methodology included:

- scrutiny of the records relating to implementation of the scheme in the Directorate of Education of the Government of Delhi and in the offices of the Directors of Education in MCD and NDMC along with those in the zonal offices and selected schools;
- verification of the provision and quality of the meals provided in 400 out of the total of 2,424 schools selected through statistical random sampling ensuring due geographical coverage (270 MCD schools, 100 government schools and 30 NDMC schools). The inspections were carried out by audit teams in 195 schools and by the departmental authorities in the remaining 205 schools based on a questionnaire framed by audit to ensure uniformity in approach; and
- communication of the audit findings to the departmental authorities for confirmation of facts as well as comments which are taken into account while framing the audit comments.

### **3.6 Audit findings**

The total expenditure incurred by the Government of NCT of Delhi on the scheme during last five years (2001-06) was as follows:

**Table 3.1: Expenditure incurred under the scheme**

| Year         | Total Expenditure incurred under the scheme (Rs. in crore) |
|--------------|--|
| 2001-02      | 17.60  |
| 2002-03      | 19.56  |
| 2003-04      | 19.88  |
| 2004-05      | 27.70  |
| 2005-06      | 31.54  |
| <b>Total</b> | <b>116.28</b>  |

The audit findings on the planning and implementation of the scheme are contained in the succeeding paragraphs.

#### **3.6.1 Inadequate planning**

The revised scheme guidelines of 2004 envisage that every State/UT government should designate a nodal department that can most efficiently carry out the nodal responsibility for effective implementation of the programme all over the State/UT. The nodal department is responsible for ensuring the financial inputs, infrastructure and logistic/administrative arrangements necessary for effective implementation of the scheme. It was also to furnish requests to the Union Ministry by 15 January every year for allocation of free foodgrains based on enrolment data of eligible primary school and EGS/AIE centres as on 30 September and the anticipated enrolment in the next financial year. Audit appraisal of the steps taken by the nodal department to effectively introduce and implement the scheme revealed as follows:

##### **3.6.1.1 Delay in appointing of nodal department**

There was a delay of six months in designation of a nodal department by the Government. While the revised guidelines were issued in December 2004, the Directorate of Education, NCT of Delhi, was designated as the nodal department only in July 2005.

##### **3.6.1.2 Lack of coordinated planning**

The nodal department did not prepare any overall plan to ensure availability of the requisite financial, logistical and administrative inputs so as to cover all the eligible children in a time-bound manner. The nodal department stated in July



2006 that the three implementing agencies were independently planning and implementing the scheme in Delhi. The reply of the nodal department indicated its failure to adhere to programme guidelines for effective coordination and implementation of the scheme. The implementation of the scheme independently by the three agencies without proper coordination led to lack of uniformity in its implementation in the following respects:

- (i) The quantity of cooked meals prescribed was different in the three implementing agencies viz. 180 gms in MCD schools, 180-200 gms in NDMC schools and 180-190 gms in Government of Delhi schools;
- (ii) Testing of cooked meals to determine the minimum prescribed content of 300 calories and 8-12 gms of protein was being carried out by MCD but not by NDMC and Government of Delhi; and
- (iii) Inspection of the kitchen of the non-Governmental organizations (NGOs)/suppliers was carried out by MCD whereas no such arrangements were made by NDMC and the Government of Delhi.

### ***3.6.1.3 Deficient planning for coverage of EGS/AIE centres***

**There was no plan to cover 73,590 children enrolled in EGS/AIE centres under the scheme.**

Though the scheme was extended in October 2002 to cover children studying in EGS/AIE centres, the nodal department did not prepare any effective plan to cover these children under the mid day meal scheme. This led to 73,590 children studying in the 3,345 EGS/AIE centres in Delhi being continuously deprived of the benefits of the scheme as of October 2006. Audit examination revealed that the requirement for foodgrains projected by the nodal department for the year 2005-06 included foodgrains required for children in EGS/AIE centres though the department had no plan to provide meals to these children. Based on these projections, the Ministry allocated 734.85 MTs of foodgrains for EGS/AIE centres in Delhi, which was ultimately not lifted.

#### ***3.6.1.4 Delay in projection of foodgrain requirements***

There was delay of five months on the part of the nodal department in sending the requests for allotment of foodgrains for the year 2005-06. It was sent in June 2005 as against the stipulated date of 15 January 2005. Such delay in even projecting requirement for allocation of foodgrains was indicative of the lackadaisical approach of the nodal department in implementation of the scheme and is fraught with the possibility of short/non-supply thereby adversely affecting distribution of meals to needy children.

#### ***3.6.1.5 Delay in finalization and submission of action plan for MME***

The scheme provides for grant of central assistance for Management, Monitoring and Evaluation (MME) at the rate of not less than 0.9 *per cent* of the total assistance on supply of free food grains, actual cost on transportation of food grain and cooking cost for the year 2004-05 and at the rate of not less than 1.8 *per cent* of such total assistance from 2005-06. In October 2005, Government of India requested the State/UT governments to send action plans for MME for the year 2005-06 latest by 31 October 2005 for release of central assistance. The assistance was to be used for (a) school level expenses (b) management, supervision, training and internal monitoring and (c) external monitoring and evaluation. Government of Delhi had yet to send the action plan to avail of central assistance for MME as of August 2006. However, the Government of India released Rs.43.34 lakh in March 2006 as central assistance for MME that remained unutilized as of August 2006.

Confirming the facts, the Government stated (October 2006) that an overall plan has now been prepared to ensure the financial, logistical and administrative inputs necessary to cover all the eligible children though the children of EGS centres were yet to be benefited by the scheme.

#### ***Recommendation***

*The Directorate of Education should conduct an annual review and include the children enrolled in the EGS/AIE centres as envisaged in the scheme guidelines. It should also ensure the co-ordinated and uniform implementation of the scheme by all the three agencies involved.*

### 3.7 Financial management

#### 3.7.1 Funds allocated and utilized

Funds for the implementation of the scheme are released by the Government of Delhi to its Directorate of Education. The Directorate in turn releases funds to the municipal bodies for implementation of the scheme in the schools under their jurisdiction. The year-wise position of funds released by the Government of Delhi to the implementing agencies and its utilisation during the years from 2001-02 to 2005-06 was as follows:

**Table 3.2: Allocation and utilization of funds**

(Rupees in lakh)

| Name of the Agency             | Year    | Budget Estimate  | Revised Estimates | Funds released   | Actual expenditure | Savings with reference to funds released | Percentage of savings to releases |
|--------------------------------|---------|------------------|-------------------|------------------|--------------------|--|-----------------------------------|
| Directorate of Education       | 2001-02 | 400.00           | Nil               | Nil              | -                  | -  | -                                 |
|                                | 2002-03 | 400.00           | 50.00             | 50.00            | 0.15               | 49.85                                    | 99.7                              |
|                                | 2003-04 | 570.00           | 80.00             | 80.00            | 43.63              | 36.37                                    | 45.46                             |
|                                | 2004-05 | 600.00           | 331.60            | 331.60           | 234.96             | 96.64                                    | 29.14                             |
|                                | 2005-06 | 740.00           | 500.00            | 500.00           | 408.79             | 91.21                                    | 18.24                             |
| Municipal Corporation of Delhi | 2001-02 | 2000.00          | 1800.00           | 1800.00          | 1729.92            | 70.08                                    | 3.89                              |
|                                | 2002-03 | 2000.00          | 2000.00           | 2000.00          | 1934.36            | 65.64                                    | 3.28                              |
|                                | 2003-04 | 2200.00          | 2000.00           | 2000.00          | 1921.67            | 78.33                                    | 3.92                              |
|                                | 2004-05 | 2500.00          | 2500.00           | 2500.00          | 2492.78            | 7.22                                     | 0.30                              |
|                                | 2005-06 | 2700.00          | 2700.00           | 2700.00          | 2697.52            | 2.48                                     | 0.09                              |
| New Delhi Municipal Council    | 2001-02 | 30.00            | 30.00             | 30.00            | 30.00              | -  | -                                 |
|                                | 2002-03 | 30.00            | 60.00             | 25.00            | 21.19              | 3.81                                     | 15.24                             |
|                                | 2003-04 | 30.00            | 30.00             | 30.00            | 22.35              | 7.65                                     | 25.50                             |
|                                | 2004-05 | 100.00           | 80.00             | 75.00            | 41.94              | 33.06                                    | 44.08                             |
|                                | 2005-06 | 100.00           | 100.00            | 75.00            | 47.91              | 27.09                                    | 36.12                             |
| <b>Total</b>                   |         | <b>144,00.00</b> | <b>122,61.60</b>  | <b>121,96.60</b> | <b>116,27.17</b>   | <b>5,69.43</b>                           |                                   |

Against the overall budget allocation of Rs. 144 crore to the scheme during last five years, the overall saving was 19.26 per cent with reference to budget allocation and 4.67 per cent against funds released.

While MCD was generally able to utilize most of the allocated funds, there were savings ranging from 18 to 99 per cent in the Directorate of Education and from 15 to 44 per cent in NDMC during the period 2002-03 to 2005-06. The savings in the Directorate of Education as well as NDMC were attributable to non-implementation of the scheme during 2002-03, starting of the scheme as a pilot project covering only a very limited number of schools during 2003-04 (85 out of 343 schools of Government of Delhi and 69 out of 91 schools of NDMC), supply of meals for less than 200 days during 2004-05 and 2005-06 and low average attendance of students during 2005-06. Such huge

Funds ranging 15-99 per cent remained unutilised.

savings reflected inadequate assessment of requirements and poor implementation of the scheme. The mid term review of progress of expenditure which is normally done at the time of framing of the revised estimates was also not seriously carried out as funds which would remain unutilized could have been assessed even at that stage and surrendered for better utilisation for other purposes.

The Government stated (October 2006) that the scheme was initially implemented as a pilot project during the year 2003-04 and that the target of supply of meals on 200 days could not be achieved as meals were being supplied only till February of the academic year due to the Class X and XII Board examinations of the Central Board of Secondary Education that are held in the school buildings in March. It added that efforts were being made to utilize the maximum funds allocated for the schools and the scheme was now being fully implemented in all NDMC schools since September 2005. The fact remains that savings of over 18 *per cent* and 36 *per cent* in the Directorate of Education and NDMC even during 2005-06 was indicative of the need for better budgetary planning and utilization of allocated funds.

### 3.7.2 *Diversion of funds*

**Rs. 2.90 crore irregularly diverted to meet establishment expenses.**

The General Financial Rules prohibit the re-appropriation of funds provided under Plan heads to Non-Plan heads without the previous concurrence of the Finance department. The sanctions issued by the State Government while releasing funds for the scheme specifically stipulate that the funds shall not be re-appropriated for any other purpose. The PAC had also specifically recommended in September 2001 that funds of the mid-day meal scheme should not be diverted for any other purpose and action should be taken against the erring officers.

In gross disregard of the financial rules, the terms of the sanction as well as the recommendations of the PAC, MCD transferred Rs.2.90 crore from Plan funds of Rs.25 crore allocated by the Government of Delhi for implementation of the scheme during 2004-05 for establishment expenditure/administrative charges (Non-Plan). No approval of the Finance department was obtained for such diversion nor was it depicted in the utilization certificate subsequently submitted by MCD to the nodal department.

The Government stated (October 2006) that matter was being examined.

### 3.7.3 *Inadequate funding by the NCT Government*

The Central Government provides assistance for meeting the cooking cost at the rate of Rupee one per child per day with effect from 1 September 2004. The scheme guidelines however stipulated that it would be mandatory for State governments not to reduce their budgetary allocations for the scheme below the level of their budget provision for 2004-05 nor divert the money saved for any

**Budget allocation for 2005-06 reduced by Rs.11.02 crore due to adjustment of central assistance of Rs.14.42 crore in contravention of scheme guidelines.**

other purpose. All State/UTs governments were advised in December 2004 to send their requests for Central assistance to meet the cooking cost for the period from September 2004 to April 2005. The Government of Delhi sent their proposal for release of Rs.14.42 crore in February 2005 and for Rs.12.13 crore in March 2006 for the period from September 2004 to April 2005 and May 2005 to December 2005 respectively. Government of India released Rs.8 crore as additional Central assistance in March 2005, Rs.6.42 crore in July 2005 and Rs.12.13 crore in March 2006 towards cooking cost. Government of Delhi thereafter adjusted Rs.14.42 crore in its revised estimates for the year 2005-06. It also decided in April 2006 to utilise the remaining Rs.12.13 crore for purchase of milk or curd to be supplied to children in the primary schools and sought approval of the Central Government for this purpose in August 2006 that was awaited as of October 2006.

Utilization of Rs.12.13 crore was unnecessarily delayed.

It was observed in audit that adjustment of the Central assistance of Rs.14.42 crore by NCT Government in the Revised Estimates for the year 2005-06 was not in conformity with the scheme guidelines as it resulted in reduction of its budgetary allocation for the year 2005-06 from Rs. 35.40 crore to Rs. 20.98 crore, i.e. less than its budgetary allocation of Rs.32 crore for 2004-05 by Rs. 11.02 crore. Further, seeking permission from Government of India to utilize the amount of Rs. 12.13 crore for purchase of milk or curd for the children was unnecessary as the scheme guidelines clearly permit utilization of any money saved from such Central assistance for improving the quality of the mid day meal. Seeking of such permission delayed utilization of the funds of Rs.12.13 crore.

Government added that the Finance department had suggested obtaining of approval of the Government of India for utilization of the funds for supply of curd/milk that was awaited.

#### **3.7.4 Excess claim of central assistance towards cooking cost**

Central assistance for meeting cooking cost is provided at the rate of rupee one per child per school day w.e.f. 1 September 2004. The number of child days is worked out on the basis of number of enrolled students and the number of working days. If the average attendance rate is over 80 per cent, full details for the basis for such an estimate is to be furnished along with the claim.

Audit scrutiny of the claim of Rs.26.55 crore submitted by the Directorate of Education for central assistance to meet the cooking costs (referred to in para 3.7.3 above) revealed that the average attendance rate adopted by the nodal department was above 80 per cent. However, no detailed working for arriving at such a figure was attached with the claim. Taking into account the meals actually served in NDMC schools and the average attendance separately intimated by

MCD to audit, it was noticed that the average attendance attributed to MCD and NDMC schools for claiming the cooking cost was inflated as follows:

**Table 3.3: Excess claim of cooking cost on average attendance**

| Sl. No.      | Agency | Period of claim        | Number of child days<br>(figures in crore) | Percentage of average attendance claimed for cooking cost | Amount claimed<br>(Rs. in crore) | Percentage of average attendance as intimated to or worked out in audit for the same period | Amount to be claimed for cooking cost<br>(Rs. in crore) | Excess amount claimed<br>(Rs. in crore) |
|--------------|--------|------------------------|--|---|----------------------------------|---|---|---|
| 1            | MCD    | 1-9-2004 to 30-4-2005  | 15.71                                      | 82  | 12.88                            | 70.76   | 11.12   | 1.76                                    |
| 2            | MCD    | 1-5-2005 to 31-12-2005 | 12.08                                      | 85  | 10.27                            | 72.36   | 8.74  | 1.53                                    |
| 3            | NDMC   | 1-5-2005 to 31-12-2005 | 0.24                                       | 80  | 0.19                             | 68.00   | 0.16  | 0.03                                    |
| <b>Total</b> |        |                        |  |   | <b>23.34</b>                     |   | <b>20.02</b>  | <b>3.32</b>                             |

The excess amount claimed by the Government of Delhi worked out to Rs. 3.32 crore (MCD Rs. 3.29 crore and NDMC Rs. 0.03 crore).

The Government stated (October 2006) that the excess claim will be adjusted from the future claims of central assistance.

### **Recommendation**

*Given the significant savings in the Directorate of Education and NDMC, the nodal department should review the requirement of funds being projected by the implementing agencies and ensure optimum utilization of funds released. Responsibility should also be fixed for diversion of scheme funds to non-plan expenditure in violation of the financial rules and despite the recommendations against any diversion made by the PAC.*

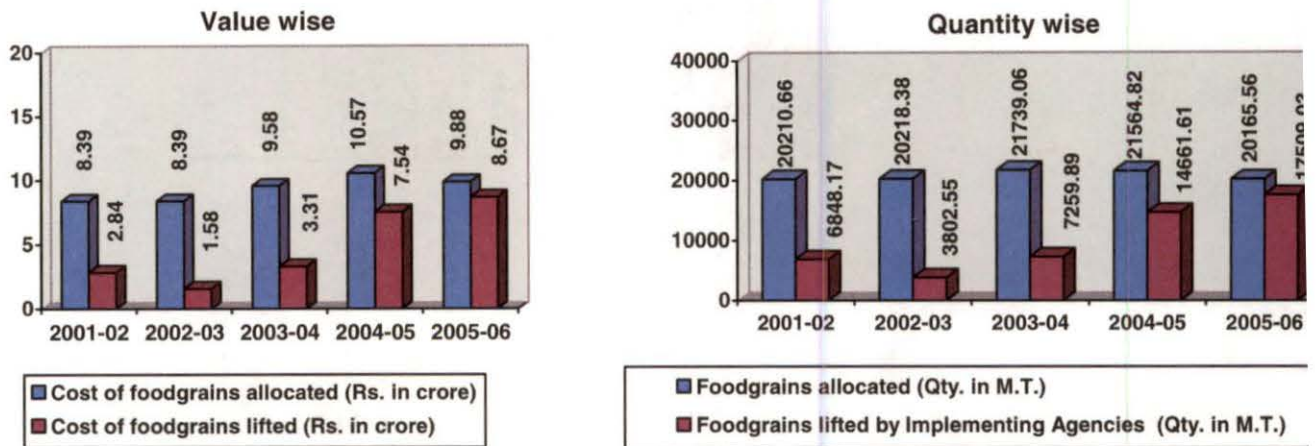
### **3.8 Procurement and utilisation of foodgrains**

Transportation of foodgrains from the nearest depot of the Food Corporation of India (FCI) to each primary school is a major logistical responsibility of the nodal department. Towards this end, all State/UT governments are expected to ensure accurate projection of requirements, timely lifting of foodgrains allocated, monitoring of their distribution and steps to ensure the prescribed quality.

### 3.8.1 Short lifting of foodgrains

The quantity and value of foodgrains allocated by the Government of India and lifted by the implementing agencies during the years 2001-02 to 2005-06 as reported by Government of India, Ministry of Human Resource Development, Department of School Education & Literacy was as under:

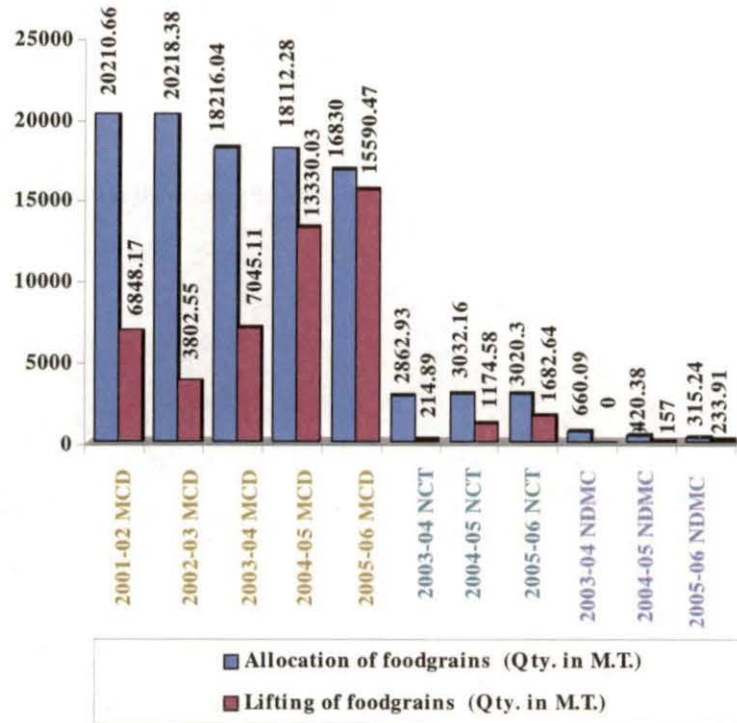
**Value and Quantity of foodgrains allocated and lifted**



Against the allocation of 1.04 lakh MT of foodgrains made by the Government of India under the scheme, the three implementing agencies lifted only 0.50 lakh MT of foodgrains during the last five years (2001-06). Hence more than 50 per cent of the allocated quantity of the foodgrains remained unlifted. Year-wise shortfall in lifting of foodgrains ranged between 13.17 per cent to 81.19 per cent during this period. Such huge shortfalls in lifting of foodgrains were indicative of poor planning and monitoring of the scheme and non-achievement of objectives.

The agency-wise allocation and lifting of foodgrains was as under:

**Agency wise analysis of allocation and lifting of foodgrains**



The Directorate of Education did not lift foodgrains ranging from 44.28 per cent to 92.49 per cent during the period from 2003-04 to 2005-06 while MCD did not lift foodgrains ranging from 7.36 per cent to 81.19 per cent during the years 2001-02 to 2005-06. NDMC did not lift the foodgrains ranging from 25.80 per cent to 100 per cent during the years 2003-04 to 2005-06.

The Government stated (October 2006) that the reasons for short lifting were non-coverage of children of EGS centres, non-achievement of target of supply of meals on 200 days due to reservation of schools buildings for CBSE examinations in month of March and supply of processed food such as roasted black gram, kheel chana, roasted groundnuts, etc. to children in MCD schools during years 2001-02 to 2003-04. The Government added that the gap between the lifting and allocation of foodgrains in respect of MCD has decreased from 26.32 per cent during 2004-05 to 7.3 per cent during 2005-06. The reply is not tenable as shortfalls in lifting of foodgrains continue to be significantly higher in Government and NDMC.



Joint  
inspection of  
foodgrains  
not  
conducted.

### 3.8.2 *Inspection of foodgrains to ensure quality not carried out*

The scheme guidelines stipulate that the implementing agencies will ensure that the foodgrains received from the Food Corporation of India (FCI) are at least of Fair Average Quality (FAQ). For this purpose, joint inspections are to be conducted by a team consisting of representatives of both FCI and the implementing agency. FCI will also keep samples of such foodgrains supplied by it for future verification and analysis.

No joint inspection of foodgrains was ever conducted by the implementing agencies nor was any verification of samples done to ensure FAQ of the foodgrains. Consequently, the possibility of supply of foodgrains below FAQ could not be ruled out.

The Government stated (October 2006) that a committee consisting of the nodal officer of Government of Delhi, officers from MCD, NDMC and nodal officer from FCI is being constituted to check and ensure the stipulated quality of foodgrains (FAQ) being lifted from FCI.

#### **Recommendation**

*The implementing agencies should realistically assess their requirements of foodgrains and address other problems related to the implementation of the scheme to ensure supply of quality meals at least for a minimum of 200 days to all the children.*

## **3.9 Supply of meals in schools**

The guidelines specifically stipulate that all State/UT governments are expected to ensure that the mid day meal scheme is implemented with utmost regard to safety and hygiene in all the schools.

### 3.9.1 *Coverage of school children*

Scheme guideline envisages that a mid day meal with minimum 300 calories and 8-12 grams of proteins contains will be provided to all children studying in classes I-V in government, local bodies and government aided schools as well as in the Education Guarantee Scheme (EGS) and Alternative and Innovative

Education (AIE) centres. The year-wise coverage of children during the years 2001-02 to 2005-06 was as under:

**Table 3.4: Coverage of children**

(Figures in lakh)

| Year    | Number of children to be covered |      |      |       | Number of children covered |      |      |       | Children not covered |     |      |       |
|---------|----------------------------------|------|------|-------|----------------------------|------|------|-------|----------------------|-----|------|-------|
|         | GNCT                             | MCD  | NDMC | Total | GNCT                       | MCD  | NDMC | Total | GNCT                 | MCD | NDMC | Total |
| 2001-02 | 0.93                             | 9.36 | 0.21 | 10.50 | Nil#                       | 9.36 | 0.21 | 9.57  | 0.93#                | Nil | Nil  | 0.93  |
| 2002-03 | 1.02                             | 9.32 | 0.19 | 10.53 | Nil#                       | 9.32 | 0.19 | 9.51  | 1.02#                | Nil | Nil  | 1.02  |
| 2003-04 | 1.78*                            | 9.34 | 0.21 | 11.33 | 0.29                       | 9.34 | 0.17 | 9.80  | 1.49                 | Nil | 0.04 | 1.53  |
| 2004-05 | 1.80*                            | 9.47 | 0.20 | 11.47 | 1.06                       | 9.47 | 0.20 | 10.73 | 0.74                 | Nil | Nil  | 0.74  |
| 2005-06 | 2.23**                           | 9.44 | 0.19 | 11.86 | 1.49                       | 9.44 | 0.19 | 11.12 | 0.74                 | Nil | Nil  | 0.74  |

\* Includes 0.74 lakh children of EGS centres.

\*\* Includes 0.74 lakh children of EGS centres and 0.44 lakh children of aided schools.

# Government of NCT implemented the scheme in Delhi from 2003-04 only.

While all the children in the primary schools had been covered by 2004-05, 73,590 children enrolled in Education Guarantee Scheme (EGS) were yet to be supplied the meals as of October 2006 viz. even after a lapse of about four years since introduction of the scheme. The Government stated (October 2006) that the learning centres of EGS are just bridge courses to bring children into the main streams of formal education under the Sarva Shiksha Abhiyan and hence they were not covered under the mid day meal scheme. The reply is not tenable as the scheme clearly provides for coverage of children studying in EGS centres and the department had also projected requirement of foodgrains during the year 2005-06 taking into account the children enrolled in the EGS centres.

Though the coverage of the scheme was fully achieved (except EGS/AIE centres) by 2004-05, there were serious shortfall in supply of meals to the children in terms of the prescribed minimum number of days.

### 3.9.2 *Meals not supplied for the prescribed minimum number of days*

**Meals not supplied for all days in academic session.**

The Supreme Court had directed vide its orders dated 28 November 2001 that mid-day meals with the minimum contents of 300 calories and 8-12 grams of protein should be supplied on each school day for a minimum of 200 days in a year. The revised guidelines had incorporated this direction though the minimum of 200 days was not mentioned. However, an academic year had on an average 200 school days. Audit appraisal revealed the following:

- While MCD was supplying meals for the minimum number of 200 days, the Directorate of Education did not even have any consolidated record as to the number of days on which mid-day meals were supplied in its schools during a year. Test check in audit of data compiled for the years 2004-05 and 2005-06 from all the 28 zones covering 349 schools and 426 schools respectively revealed that meals were being supplied for only 116 and 150 days meals on an average during the years 2004-05 and 2005-06. Thus, there was no supply of mid-day meal on 42 *per cent* (84 days) and on 25 *per cent* (50 days) of the stipulated 200 days during 2004-05 and 2005-06 respectively.
- Similarly, NDMC provided cooked meals on 112 days, 132 days and 200 days during the years 2003-04, 2004-05 and 2005-06 respectively; viz. a short fall in supply of mid-day meals of 44 *per cent* (88 days) and 34 *per cent* (68 days) during the years 2003-04 and 2004-05 respectively.

Such sporadic supply of meals would undermine achievement of one of the fundamental objectives of the scheme viz. improvement of retention levels. Further, effective check had not been exercised so as to ensure supply of meals on all days by the contractors.

The Government stated (October 2006) that the target of supply of meal on 200 days could not be achieved due to Board examinations of the Central Board of Secondary Education for which the schools building have to be reserved. NDMC stated (October 2006) that directions have been issued to schools/service providers to supply cooked meal on all working days.

### 3.9.3 *Calorie and protein content of meals not tested*

The scheme guidelines stipulate provision of cooked meals with a minimum content of 300 calories and 8-12 grams of protein on each school day. Audit appraisal revealed that neither the Directorate of Education nor NDMC had made any arrangement to test the cooked mid-day meal to ensure that the food supplied contained the minimum calorie and protein content. Hence, the required calorie and protein content of the meals being supplied could not be assured. MCD made

arrangements for testing of cooked mid-day meals from April 2005 after a lapse of more than three years.

The Government stated (October 2006) that meals supplied in MCD schools were being tested on random sampling basis and the calorific value was found to meet the prescribed standards while the matter of testing of the meals supplied to the Government and NDMC schools was under consideration.

#### **3.9.4 Short supply of cooked food in the schools**

The implementing agencies had engaged NGOs/caterers on contract for supply of cooked food of 180 grams in MCD schools, 180-190 grams in schools of Government of Delhi and 180-200 grams in NDMC schools per child per day. Audit appraisal revealed the following:

- Weighing machines were not available in 86 out of 195 schools (44 *per cent*) physically checked by audit. Hence, the schools were receiving meals from the suppliers without any check as to the actual quantities being supplied.
- Weighing by audit of meals supplied in 103 schools revealed that meals were short supplied in 36 schools ranging from 0.240 kilogram to 42.980 kilograms on the day of survey. This worked out to average short supply of 44 grams per child per day.
- Similar inspections carried out by school authorities in a further 205 schools at the behest of audit revealed that meals were short supplied in 15 schools ranging from 3.62 kilograms to 76.68 kilograms which worked out to average short supply of 52 grams per child per day.

The above findings indicate that adequate attention had not been paid to ensure supply of the requisite quantity of meals by the suppliers. Consequently, there remained every possibility of over-payment to the contractors and denial of the prescribed quantity of meals to the children.

Government stated (October 2006) that directions have been issued to all Principals and in-charge mid-day meal to ensure supply of 180 grams of food per child per day. It also proposes to provide weighing machines to all schools. It added that action would be initiated against the service provider for providing short supplies of cooked food including proportionate cuts in payment.

### **3.9.5 Meal supplying agencies were not licensed under the Delhi Municipal Corporation Act**

**Licenses for kitchens not obtained by suppliers of meals.**

Section 421 of the Delhi Municipal Corporation Act 1957 provides that every person who runs or maintains any eating house or any place where food is sold or prepared for sale should obtain a license from the Health department of the Corporation to operate their kitchens. The purpose of such licensing is to ensure maintenance of certain standards of hygiene and health. However, none of the 40 NGOs/caterers engaged by the three agencies possessed the requisite license.

The Government stated (October 2006) that two out of eleven service providers in MCD have obtained licence from Health Department of MCD. Further directions have been issued to the NGOs/service providers providing cooked food in the schools to obtain the licence from the Health Department of MCD within one month.

### **3.9.6 Quality of meals not ensured**

The scheme guidelines envisage tasting of food prior to it being served to children in order to ensure its quality. For this purpose, a committee consisting of the headmaster, the teacher-in-charge of the school and representatives of the Parent-Teacher Association, Resident Welfare Association or a senior citizen is to check the food daily before the meals are served to the children. An entry to the effect should also be made in the register maintained for the purpose. Audit appraisal revealed the following:

- No registers were being maintained in 41 out of 400 schools checked in audit viz. 10 per cent. In the absence of such records, it could not be ensured whether the food was actually being tasted every day by members of the school committee before distribution to the children.
- Meals were not being brought in sealed containers in 262 out of 400 schools (65 per cent) checked in audit. This left open the possibility of contamination, adulteration or pilferage during the transportation of the meals.

- Information obtained by audit from 400 selected schools showed that meals were often returned by the school authorities on the ground that they were unfit for consumption as below:

**Table: 3.5 Meals returned**

| Year                            | Government of NCT of Delhi   |   | MCD  |   | NDMC  |   |
|---------------------------------|--|---|--|---|---|---|
|                                 | Number of schools returned the meals (out of 100 schools test checked) | Number of days on which meals returned ranging from | Number of schools returned the meals (out of 270 schools test checked) | Number of days on which meals returned ranging from | Number of schools returned the meals (out of 30 schools test checked) | Number of days on which meals returned ranging from |
| 2003-04                         | 2  | 1-2   | 10   | 1-15  | 2   | 1 day each  |
| 2004-05                         | 22   | 1-5   | 30   | 1-8   | 10  | 1-17  |
| 2005-06                         | 6  | 1-3   | 14   | 1-2   | 7   | 1-5   |
| <b>Total</b>                    | 30   |   | 54   |   | 19  |   |
| <b>% schools returning food</b> | 10.00  |   | 6.66   |   | 21.11   |   |

Thus, meals were returned on one to five days by 10 *per cent* of Government schools, on one to 15 days by 6.66 *per cent* of MCD schools and on one to 17 days by 21 *per cent* of NDMC schools. However, no action was initiated against the NGOs/suppliers for supply of sub-standard food despite enabling provisions in the contract.

- Inspection conducted by audit in 195 schools also revealed poor quality of meals supplied in 18 schools (9.23 *per cent*).

Thus, the meals being supplied were not of a uniformly acceptable standard and there was an imperative need to strengthen steps to improve the quality of the meals being supplied and to initiate action against defaulting suppliers.

Government stated (October 2006) that instructions have been given to all Principals and mid-day meal in-charge to maintain records of checking of food by the school level committees and that action would be taken against suppliers who are found not supplying cooked food in sealed containers. Principals had been instructed not to accept poor quality of food supplied and food of uniformly acceptable standard would be ensured through regular inspection of kitchens and schools by the inspection staff, school level committee and other officials of the department. NDMC stated (October 2006) that the service provider was providing the meals in sealed containers. The reply of NDMC is not tenable as nine schools out of 15 schools test checked during joint physical verification reported that meals were not being supplied in sealed containers.

### **3.9.7 Kitchens of the suppliers not inspected**

The scheme guidelines provide that kitchens should always be kept clean and that it should have a raised platform for cooking with adequate light, ventilation and arrangement for drainage/waste disposal. All ingredients used for cooking should be free from adulteration and pest infestation and all persons engaged in handling of the ingredients and cooking should be trained in hygienic habits. In order to ensure that the NGOs/caterers follow the above stipulations, it is imperative that the kitchens are periodically inspected. Audit appraisal revealed the following:

- The Mid-Day Meal Committees of 287 out of 400 schools checked in audit viz. 72 per cent, had not visited the kitchens of the suppliers during the years 2004-05 to 2005-06 to ensure adherence to standards of hygiene and quality. In the absence of such supervision, the possibility of use of sub-standard ingredients cannot be ruled out.
- In July 2003, MCD had engaged the Nutrition Foundation of India (NFI) to evaluate the implementation of the scheme in its schools. NFI inspected the kitchens of eight out of the 11 service providers in four rounds. In its report submitted in March 2006, NFI graded only one service provider as good while the others were graded either as fair or poor. The report recommended urgent action in respect of individual areas that had been rated 'poor' and that the food service units should be supervised, monitored and evaluated from time to time coupled with in service training and empowerment of the workers to further improve. MCD had yet to act upon the recommendations of the NFI as of August 2006.
- The Directorate of Education and NDMC had not made any arrangement for similar evaluation of the functioning of the kitchens of the suppliers engaged for supply of meals under its jurisdiction.

The Government stated (October 2006) that all the three implementing agencies had been directed to issue necessary orders to all zonal education officers, school level mid-day meal committees and officers stationed at Headquarters to make regular visits of kitchens. It added that the nodal department has brought in a mechanism to ensure that kitchens are supervised, monitored and evaluated from time to time.

#### **Recommendations**

- *The Government should take vigorous steps to ensure that the suppliers engaged by the implementing agencies conform to the stipulated standards of hygiene, health and calorie and protein content through licensing under the Delhi Municipal Corporation Act and strict adherence to the scheme guidelines. Action should be initiated against those suppliers who fail to conform to these standards.*

- *Steps should be initiated to ensure supply of meals on all school days in an academic year and to children enrolled in EGS/AIE centres as envisaged in the scheme guidelines.*
- *There should be regular inspection of the kitchens of the suppliers and testing of the food before they are served to the children. Severe penalties should be imposed in case of food found to endanger health and well being of the children.*

### **3.10 No significant improvement in nutritional levels**

One of the objectives of the mid-day meal scheme was to improve the nutritional status of students and scheme guidelines provide for undertaking study in regard to nutritional status in respect of various deficiencies especially incidence of low weight and anaemia. Audit appraisal indicated the following:

- The implementing agencies had not assessed the scheme with a view to ascertaining whether the nutritional status of students had improved. Eighty two (NCT 46, MCD 25 and NDMC 11 schools) out of the 400 school test checked in audit did not even have any information regarding the number of tests conducted and number of students whose nutritional status did not improve during the years 2001-02 to 2005-06. While 311 schools intimated the number of tests conducted, they could not furnish the details of the number of children on whom the tests were conducted and the number of students whose nutritional status did not improve. An analysis of data furnished by seven schools (NCT 1 and MCD 6 schools) revealed that nutritional status of 1,812 out of 13,195 children i.e. 13.73 per cent had not improved.
- The scheme envisages that the mid-day meal programme should also be utilized for appropriate interventions relating to micro-nutrient supplementation and de-worming, e.g. administration of six monthly dose for de-worming and Vitamin A supplementation, administration of weekly iron and folic acid supplement and other appropriate supplementation depending on common deficiencies found in the local area. The nodal department stated that no guidelines have been issued regarding interventions relating to micro-nutrient supplementation and de-worming. Thus, one of the objectives of the programme remained unachieved.

The Government stated (October 2006) that suitable mechanisms would be established to measure the nutritional status in respect of various deficiencies especially incidence of low weight and anemia by collecting empirical evidence through outside agencies. It added that the School Health Scheme shall be associated with the mid day meal programme for micro-nutrient supplementation and de-worming.

**Test check revealed no improvement in the nutritional status of over 13 per cent children covered under the scheme.**



### 3.11 Monitoring

#### 3.11.1 Monitoring committees not established

The scheme guidelines envisage the establishment of Steering-cum-Monitoring Committees (SMCs) to oversee the management and monitoring of the programme. Such committees are to be set up at four levels viz., National, State, District and Block levels. In their respective jurisdiction, SMCs were generally to guide the various implementation agencies, assess the impact of the programme and take remedial measures where necessary and mobilize community support.

There was no SMC constituted to over see the management and monitoring of the scheme nor had any other regular monitoring mechanism put in place till the year 2005-06. However, the state level steering-cum-monitoring committee was constituted in June 2006.

The Government stated (October 2006) that the first meeting of the state level monitoring-cum-steering committee was held in July 2006 and that the monitoring mechanism shall be strengthened.

#### 3.11.2 Inspection by officers

The guidelines also stipulate fixation of monthly targets for inspection of meals served in schools in respect of officers of district, block and other suitable levels belonging to departments like Revenue/General Administration, Rural Development, School Education or other related Departments such as Women and Child Development, Health & Family Welfare, Food and Civil Supplies, etc. Further, inspection targets should be so fixed and inspections should be so coordinated that, as far as possible, 25 per cent of the primary schools and EGS/AIE centres are inspected in every quarter and all primary schools and EGS/AIE centres are inspected at least once every year. Suitable inspection rosters were to be prepared for every block to ensure the above and their implementation was to be monitored by the SMCs. The PAC in its report of 2001 had also stressed the need to strengthen monitoring mechanisms.

However, no targets of inspections of meals served in schools had been fixed by the nodal department or by any of the implementing agencies. The Directorate of Education stated in June 2006 that inspections of schools were being conducted by teams from the districts and headquarters. However, no records or inspection reports could be produced to audit.

In absence of systematic and regular inspections coupled with follow-up action where required, the nodal department was not in a position to assure itself about the quality and hygiene of meals being supplied by the contractors/NGOs.

Lack of monitoring.

Targets for inspection of mid-day meal not fixed.

The Government stated (October 2006) that inspection targets are being fixed to ensure that as far as possible 25 *per cent* of the primary schools are inspected in every quarter. It added that follow up action would be taken to ensure the quality, quantity and hygiene of meals supplied.

### **Recommendation**

*There is an imperative need to establish/strengthen monitoring and inspections mechanisms at all levels as envisaged in scheme guidelines and as suggested by the PAC as early as in September 2001.*

## **3.12 Impact of the scheme**

One of the primary objectives of the scheme was to improve enrolment, attendance and retention of children at the primary level to boost the national objective of universalisation of primary education.

### **3.12.1 Enrolment of students in the school**

There was no significant improvement in the enrolment levels of students in the schools in Delhi during the years 2001-02 to 2005-06. The year-wise enrolment of students in the schools is given in the table below:

**Table: 3.6: Enrolment of students**

(Figures in lakh)

| Year    | Schools of Government of Delhi | Percentage increase (+) / decrease(-) | MCD schools and aided schools | Percentage increase (+) / decrease(-) | NDMC schools and aided schools | Percentage increase(+)/ decrease(-) |
|---------|--------------------------------|---------------------------------------|-------------------------------|---------------------------------------|--------------------------------|-------------------------------------|
| 2001-02 | 0.93                           | -                                     | 9.36                          | -                                     | 0.21                           | -                                   |
| 2002-03 | 1.02                           | (+) 9.67                              | 9.32                          | (-) 0.43                              | 0.19                           | (-) 9.52                            |
| 2003-04 | 1.04                           | (+) 1.96                              | 9.34                          | (+) 0.21                              | 0.21                           | (+) 10.52                           |
| 2004-05 | 1.06                           | (+) 1.92                              | 9.47                          | (+)1.39                               | 0.20                           | (-) 4.76                            |
| 2005-06 | 1.05                           | (-) 0.94                              | 9.44                          | (-) 0.32                              | 0.19                           | (-) 5.00                            |

No significant impact on enrolment levels.

The Government stated (October 2006) that there has been an improvement in enrolment of children in the year 2006-07. The reply is not tenable as there was an overall marginal increase of only 1.71 *per cent* in enrolment during the last five years. Further, the Educational Consultants of India Ltd. (a Government of India Enterprise under the Union Ministry of Human Resources Development) had in a project report submitted in March 2004 estimated the number of out of school children in Delhi to be between six and seven lakh while an appraisal team of the Ministry had assessed (2004-05) the number of out-of-school children to be around 4.15 lakh. Thus, there remained adequate scope for improvement in enrolment levels.

### 3.12.2 Dropout and average attendance of students

The percentage of dropout and average attendance during the years from 2001-02 to 2005-06 were as under:

**Table: 3.7: Average attendance and drop out in schools**

| Year    | Directorate of Education |                                   | Municipal Corporation of Delhi |                                   | New Delhi Municipal Council |                                    |
|---------|--------------------------|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------|------------------------------------|
|         | Average attendance       | Percentage of dropout of students | Average attendance             | Percentage of dropout of students | Average attendance          | Percentage of dropout of students* |
| 2001-02 | Not given                | 1.31                              | 63.31                          | 6.34                              | NA                          | 7.66                               |
| 2002-03 | Not given                | 0.64                              | 63.64                          | 5.34                              | NA                          | 7.61                               |
| 2003-04 | Not given                | 1.25                              | 60.30                          | 9.02                              | NA                          | 7.29                               |
| 2004-05 | 89.04                    | 1.20                              | 70.76                          | 8.34                              | NA                          | 9.10                               |
| 2005-06 | 88.07                    | 1.11                              | 72.36                          | 8.06                              | NA                          | 6.13                               |

\* Projected on the basis of information furnished by 30 selected schools

The data of average attendance of the students and percentage of dropouts could not be provided to audit by the Directorate of Education and NDMC.

Based on information collected from 28 zones of the Directorate of Education, Audit worked out the average attendance in the schools as 89 per cent and 88 per cent in the years 2004-05 and 2005-06 respectively. The percentage of dropouts increased from 0.64 per cent during 2002-03 to 1.11 per cent during 2005-06. The percentage of dropout of students in the schools of the NDMC also worsened from 7.66 per cent during 2001-02 to 9.10 per cent in 2004-05 though there was some improvement during 2005-06 as worked out on the basis of information obtained by audit from 30 selected schools under the jurisdiction of NDMC.

The total enrolment of students in the schools was 10.68 lakh (GNCT 1.05 lakh, MCD 9.44 lakh and NDMC 0.19 lakh) in 2005-06. While there was a slight reduction in the overall drop out rate in the government and NDMC schools, there was an increase in the drop out rate in MCD schools that accounted for 88 per cent of children studying in primary schools in Delhi. Hence, the scheme had yet to have any appreciable or significant impact in terms in improvement of the overall drop out rate.

The Government stated (October 2006) that there has been decrease in drop out rate of students in MCD from 9.2 per cent to 8.06 per cent in the year 2005-06 in comparison with 2003-04. The reply is not tenable as the dropout rate in MCD increased by 1.72 per cent in the year 2005-06 in comparison to 2001-02.

Scheme failed to arrest increase in drop out rates.

### **3.13 Impact assessment**

There was no mechanism with either the nodal department or the implementing agencies to assess the impact of the scheme to ensure whether there was improvement in enrolment, attendance, retention and learning levels of children.

The Government stated (October 2006) that a mechanism of third party evaluation to assess the impact of the scheme was being proposed.

#### ***Recommendation***

*The nodal department should undertake an impact assessment to review the implementation of the scheme and identify causes for lack of improvement in enrolment, attendance and retention levels so as to enable corrective action, where necessary, to achieve the objectives of the scheme.*

### **3.14 Non-implementation of PAC recommendations**

An audit appraisal of the implementation of the mid day meal scheme in the NCT of Delhi featured in the Audit Report of the Comptroller & Auditor General for the year ended March 1998 had highlighted non-achievement of targets, failure of the department to ensure provision of meals to children for the stipulated number of days, non-achievement of the basic objectives of the scheme of providing clean and wholesome food to the children and reduction in the number of drop outs and administrative deficiencies including diversion of funds. The Public Accounts Committee (PAC) in its report placed in the Delhi Legislative Assembly in September 2001 had recommended inter alia that:

- the department should ensure proper monitoring of the scheme with inspections of schools being carried out by senior officers at least once in a month;
- the department should immediately take action to ensure that children are provided hot cooked meals as recommended by the department of Social Welfare;
- experts, dieticians and officers of the Prevention of Food Adulteration branch should also be engaged in periodic inspections of schools as well as of the manufacturing units of the suppliers; and
- action should be taken to stop diversion of funds.

The current performance audit of the implementation of the scheme again revealed poor utilization of funds and continued deficient management of the scheme as well as lack of adequate action on many of the recommendations of the PAC that resulted in non-achievement of the primary objectives of the scheme.

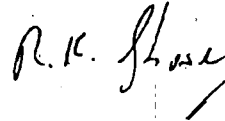
### **3.15 Conclusion**

Government have spent more than Rs.116 crore on the scheme during the last five years but most of the objectives of the scheme remain unachieved due to lack of coordination between the nodal department and the three implementing agencies,

inefficient planning, lack of effective monitoring, non-adherence to quality standards, deficient financial management and poor implementation strategies. While nearly 74,000 children enrolled in EGS centres are yet to be covered under the scheme, students enrolled in Government schools were not getting meals for prescribed minimum number of days. Quality standards in terms of hygiene, calorie and protein contents of meals were not monitored. More than 50 per cent of foodgrains allocated by the Government of India under the scheme during last five years (2001-06) were not lifted by the implementing agencies in Delhi. Such huge shortfall in lifting of foodgrains itself is indicative of poor planning and monitoring of the scheme, and non-achievement of objectives.

### **3.16 Acknowledgement**

The draft performance audit was communicated to the administrative department in September 2006. An exit conference was held on 28 September with representatives of the administrative department and the implementing agencies including MCD and NDMC. The views expressed in the meeting as well as those communicated thereafter in October 2006 have been taken into account and reflected in the performance audit report. The Government has stated that the recommendations made by audit have been noted and necessary instructions are being issued to all heads of schools, suppliers of mid day meals and district educational authorities.



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**Dated: 20 February 2007**

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**Dated: 01 March 2007**

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